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NEWS SUMMARY

GENERAL

Deport Iranians court says

Five of the Iranian students arrested during a demonstration outside the U.S. Embassy in London on August 4 were given short prison sentences yesterday. Magistrates recommended that three of them be deported.

The decision to recommend deportation, on wblch the Home Secretary hss the final decision, could indicate that the end is in sight of the problem that the 72 detained students have set the British Government. Page 6

Diplomats banned

Iraq has ordsred all Syrian diplomats to leave the country within two days, alleging that explosives and weapons have been stored at the Syrian embassy in Baghdad.

Libya denial

Libya has denied reports reaching Paris that 400 people were killed when troops put down a rebellion by an army brigade in Tobruk. The authorities said there had been no insurgency.

Jerusalem action

The 14-nation Islamic Committee on Jerusalem is to convene an emergency conference of all Islamic countries to take joint action against the Israeli annexation of Arab Jerusalem. Page 3

Turkish poll plan

Turkey's ruling Justice Party hopes to bring the general election, due next June, forward to this year in an attempt to end terrorism and political violence. Page 2

Kosygin ill

Soviet Prime Minister Alexei Kosygin has suffered a serious health relapse, diplomatic sources in Moscow said. Mr. Kosygin, aged 76, was absent from public life for four months last winter, after an ailment unofficially said to be a massive heart attack.

Blunt to resign

Anthony Blunt, the fourth man in the Philby-Burgess-Maclean spy group, has offered to resign as a Fellow of the British Academy. He said it "seemed the only way by which I could lessen the dissention which my continued membership has hitherto caused."

Housing standstill

The housing market continues to stagnate, with many estate agents reporting that prices have not moved since the end of April. Back Page; Call to review cuts, Page 6

Charts 'rigged'

Leading record companies systematically try to rig the British pop music charts by encouraging dealers to make false returns of their sales, the Granada television programme, World in Action, claimed.

Star shell

Archaeologists excavating an ancient Siberian settlement have found a 35,000-year-old stone tortoise, with the constellations of the northern hemisphere inscribed on its shell.

Briefly . . .

A fire in a warehouse in Padua, Italy, holding 15m boxes of matches caused damage estimated at £1.7m.

Nine members of Zambia's Profound Warriors football team were killed in a bus crash near Lusaka.

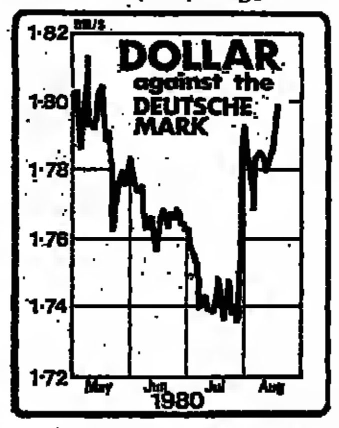
The search for the Titanic was called off because of storms in the Atlantic off Newfoundland.

BUSINESS

Sterling off 1.1c; Equities up 3.8

● STERLING was firmer against European currencies, closing at a four-year peak of DM 4.2650 (DM 4.2550), but fell 1.1c against the U.S. dollar to \$2.3695. Its trade-weighted index remained at 75.7. Page 17

● DOLLAR rose on higher interest rates prospects, closing at DM 1.7990 (DM 1.7860), the highest since mid-May. Its index rose to 85.0 (84.5). Page 17



● GOLD fell \$12 an ounce in London to \$612.5. Page 17

● EQUITIES moved up on the July trade surplus news and the FT 30-share index gained 3.8 to 487.6. Gold mines fell 9.3 to 363.2 on fears of resumed U.S. gold sales. Page 22

● GILTS recovered some of the early losses but drifted off again. The Government Securities index eased 0.19 to 69.23. Page 22

● WALL STREET was 15.7 lower at 951.02 before the close. Page 20

● GOVERNMENT is considering whether to make collusive tendering for contracts a criminal offence with unlimited fines and possible jail sentences. Back Page

● ROYAL DUTCH / SHELL Group is expected to decide soon whether to invest £20m in a titanium processing project started by the National Enterprise Board. Back Page

● WEST GERMAN shipping line DDG Hansa has filed an insolvency petition and plans to sell its 59 ships following the breakdown of merger talks with Hapag-Lloyd. Back Page

● FIAT of Italy is seeking s buyer for its South African car assembly business and Leyland South Africa, a BL subsidiary, is among the companiss spproached.

● SPENDING in sbops has stablilised, with the July volume roughly the sams as in the previous two months, following sales promotion and price-cutting campaigns. Page 5

● MASSEY-FERGUSON, the tractor and farm equipment group, is to make 680 peopls redundant at its Coveotry plant. HOOVER, the domestic appliances manufacturer, is making 440 workers redundsnt and closing its three plants for one week each month. Back Page

● LLOYD'S of London underwriters have mansged to negotiate a settlement with a Florida-based computer leasing company in which Lloyd's will pay "several million" dollars in insurance claims. Page 6

COMPANIES

● ROYAL INSURANCE Company raised pre-tax profits by £5.4m to £62.4m for the first half of 1980. Underwriting loss was £15.6m (£11.1m), and investment income £70.8m (£62.6m). Page 14; Lex Back Page

● DENBYWARE, the pottery group, reports pre-tax profits down from £969,000 to £604,000 for the year to March 29, desplte a much improved second half. Page 14

Trade balance hits record monthly surplus at £311m

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

BRITAIN had a record surplus of £311m on the curreot account of the balance of payments in July, after amaller surpluses in the previous two months.

Exports, particularly to oil-producing and developing countries, have held up well, while imports, especially of manufactured goods, have fallen sharply in respoose to the domestic recession.

The larger-than-expected July surplus, an improvement of £278m over June, was the result both of a sharp fall in imports snd a £117m upturn on the oil account.

The Department of Trade described the surplus yesterday ss "largs snd exceptional."

Officials were characteristically cautious sbout projecting s trend but the figures for the past three months suggest Britain is now clearly in surplus on current account.

A deficit of £631m io the first four months of the year has been cut to £255m. This makes the Treasury'e forecaet in March of a £2¾bn deficit for 1980 as a whole look far too pessimistic.

The explsnstion is that the recession has eo far had s much greater impact on imports than exports. Faced with excessive stocks of raw materials and finished goods, Britieh companiee have responded to falling demand hy cutting new purchases from ahroad.

There hsve been particularly large falls in imports of fioished manufactured goods, notably cars, and of semi-manufactured goods.

After excluding erratic items sucb as ships, North Sea rigs, aircraft, and precious stones, the volume of imports hetween May snd July was 4½ per cent lower than in the previous three monthe. In the first seven months of this year the total was 2¾ per cent less than the average level in 1979.

On the same hasis, export volume from May to July was 1½ per cent lese than in the previous three months, but in the first seven months of this year the total was more thao 2½ per cent higber than last year's average level.

The export performance is on the face of it sligbtly puzzling, in view of the complaints by industrialists about intense pressure on export prices and margins, and the huge erosion in the competitive position of British goods.

Part of the explanation ie probably thst companies are respooding to the competitive pressures and a weak domestic market by trying to maintain export business for as long as possible, at the expense of lower profits.

The strong pound may start working through after a time lag. Similarly, destocking will not last forever and this could lead to a recovery in imports.

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Balance of Payments

	Visible trade	Invisibles	Current account
1978	−1,493	−2,257	+ 764
1979	−2,312	+ 993	−2,319
1980			
1st	[illegible]723	[illegible]306	− 417
2nd	[illegible]299	[illegible]150	− 149
April	[illegible]264	[illegible]	[illegible]214
May	− 18	[illegible]	[illegible]32
June	− 17	+ 50	[illegible]33
July	+ 261	+ 50	+ 311

Source: Department of Trade

Polish strikes spread as Gierek postpones visit

BY CHRISTOPHER BOBINSKI IN WARSAW

INDUSTRIAL UNREST spread to shipyards in Szczecin on Poland's Baltic coast yesterday as Mr. Edward Gierek, the Polish Communist Party leader, postpones a meeting with Chancellor Helmut Schmidt of West Germany, scheduled for today in Hamburg.

Strikes were also reported in Elblag—60 kilometres from Gdansk—where public transport has come to a halt, and where the Zamech works, a major producer of power generators, was also affected.

Occupation strikes continued in the other coastal cities of Gdansk and Gdynia.

A Government Commission led by Mr. Tadeusz Pyka, a Deputy Premier, has arrived in Gdansk to examine the demands put forward by the strikers on Sunday. But it has not yet met the umbrella committee which the strikers have set up to co-ordinate action.

Negotiations are continuing between factory managemeots snd local strike committees in Gdansk. Thie would suggest tbat for the moment the autborities are hoping to get eome of the strikers back to work, and thus to avoid talks with the umbrella committee, which has put forward both political and economic demands.

Meanwhile in Warsaw, in the first action of its kind since the present wave of strikes started, plain-clothes police sesrched the bome of Mr. P. Naimski, s member of the KOR human rights group which has played a typical role in providing information on this summer'e unrest. The search wse designed to stop KOR holding a meetiog in the afternoon.

Mr. Jan Litynski, another KOR member and publisher of tbe dissident paper Robotnik, was arrested and beaten up.

Roger Boyes adds from Bonn: The last-minute cancellation of Mr. Gierek's visit came as a surprise both to West German Government officials and to Polish diplomats in Germany, who had been expecting him to arrive today for talks with Chancellor Schmidt.

It was judged that Mr. Gierek and his colleagues had much to gain from going ahead with the visit in order to give the impressioo that they bad the situation under control and to play down the significance of the strikes.

The West German visit would bave been a useful way for the Polish leadership to demonstrate that business and politics are continuing as usual in Warsaw.

Poland's economic dependence on tbe West bas paradoxically given it an important foreign policy role, allowing it to act as a bridge between East and West.

President Valery Giscard d'Estaing of France recently chose to meet Mr. Leonid Brezhnev, the Soviet President, in Warsaw. It was Warsaw that called recently for East-West disarmament talks.

Poland has been acting to some degree ss a spokesman for Moscow, but it has also mansged

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"THE STRIKE in Gdansk seems to have the snpport of the local people . . . The city is calm . . . One demand bas already been won by Poland'e working class. That is the rigbt to strike."

Christopber Bobinski reports from Gdansk on Page 12.

Two prominent TUC moderates voiced support for the Polish strikers. Page 7

Moscow is unlikely to intervene in Poland. Page 2

Cope auditors in £1.325m row

BY CHRISTINE MOIR

A ROW a Cope Sportswear over a £1.325m difference of opinion between the auditors Finnie Ross Allfields snd the Cope directors wss the reaeon hehind the auditors' resignation, it was lesrnt yesterday.

This sum was the difference between the 1979 figures produced by the directors hefore the audit and the £588,541 pre-tax loss finally published in the report and accounts.

Finnie Ross Allfields, which parted company with the hoard after attaching a heavily qualified audit certificate to the accounts published in July, has explained its reaeons for resigning to shareholders, two days hefore the annual meeting.

Under the 1976 Compsnies Acts, auditors who resign suddenly must either send shareholders a letter eaying thst nothing untoward has occasioned their move, or must outline the pertinent reasons.

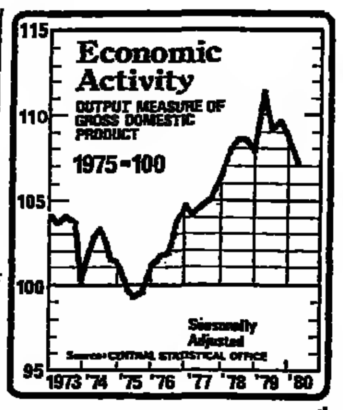
Mr. Michael Friedman, Finnie's senior partner in Leeds, told shareholders: "We encountered extreme difficulty in persuading your directors to accept the very msterial amendments which we thought necessary" to the original accounts.

These "ultimately gave rise to alterations totalling in excess of £1.325m resulting in a pre-tax loss of £588,541."

The alterations included "numerous adjustmeots to accounts of individual group companies" including additionsl provisions against debtors and stock and work in progress of £115,000 and £208,000."

The board of Cope bas forwarded the auditors' letter to shareholders, but Mr. Geoffrey Cope, the chairman, says that while the company hae not yet hsd time to look into the detail, "the directors dispute many of the allegations both on the facts and the inferences to he drawn from the facts."

Mr. Cope, who with the other directors supports a proposal to replace Finnie by Arthur Andersen as auditors, says thst the split was due to "a hreakdown in the mutual trust that must exist hetween aoy company and its auditors."



GDP down 1½% in quarter

By Our Economics Correspondent

THE LEVEL OF economic activity in Britain is falling more sharply than at almost any time since the last war.

Central Ststistical Office figures published yesterday show that total activity (as measured by real gross domestic product) was roughly 1½ per cent lower between April and June than in the previous three months.

This is one of the largest quarterly fall on record, apart from periods when output has heen depressed hecause of industrial disputes and exceptionally bad westher.

Officials said that the drop reflected both a fall in industrial production (down 2.7 per cent) and in activity in the distributive and motor trades as the level of consumer demand declined.

Demand

The preliminary gross domestic product estimate, based on output data, in the second quarter was 107.1 at constant prices (1975=100) seasonally adjusted. This compares with 108.8 in the previous three months.

The evidence from industrial trends and opinion surveys suggests activity is still declining ae industry attempts to reduce excessive stocks to adjust to lower demand.

The trend so far is not significantly out of line with the Treasury's forecast in March that gross domestic product for 1980 would fall by 2½ per cent compared with 1979.

But there does seem to be a difference of pattern as manufacturing output is falling faster than many economists expected.

It is now generally expected that outpnt will continue to fall next year, with the beginning of a recovery possibly in the late summer or early autumn of 1981.

French pledge aid for UK travellers

BY DAVID WHITE IN PARIS

THE FRENCH Government yesterday promised to step up its assistance to stranded British tourists as the fishermen's protest movement spread from the Channel coast to other parts of the country.

The Government pledge came in response to diplomatic moves by Britain on behalf of British travellers who have been at the mercy of etriking fishermen hlockading ports.

Mr. Kenneth Jsmes, the British chargé d'affaires in Paris, expressed "deep concern" about the situation to M. Joel le Theule, French Transport Minister, yesterday morning. About 10,000 Britons were reckoned to be atuck in France.

The ministry said it would do all it could to alleviste the plight of boliday families. It would try to arrange accommodation and cater for essential needs.

In total, about 15,000 people were said to be stranded in French ports and 6,000 more shoard ships waiting to dock. French railways continued to send cross-Chanoel passengere via Belgian ports at no extra cost.

The strikers reinforced their hold on cross-Channel servicss yesterday, ahead of today'e Arbitration Board meeting in Le Havre. Althongb hovercraft connections were etill running for passengers with reservations st Boulogne and Calsis, one of the last ferry services to Saint Malo in Brittany, wss due to be cut off at midnight. Fishermen voted to blocksde the port after a call by ths Communist-led CGT union for all France's 23,000 fishermen to join the strike.

Granville, between Saint Malo and Cherbourg, wae also to be blockaded, cutting off ferry and bydrofoil connections between

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Fishing industry's decline, Page 2

How to get to Europe

BY OUR SHIPPING CORRESPONDENT

ALTHOUGH all the major Frencb Channel ports remain blocked, travellers can still reach the Continent snd some ferries have been departing without a full load.

Sealink: Dover and Folkestone are operating and the five French services have been switched to Oetend. Frequency has been stepped up from 13 to 22 round trips a day.

Townsend Thoresen: Felixstowe-Zeebrugge service operating normally but Portsmouth and Southampton sailings suspended. Departures now concentrated on Dover, with boats to Zeebrugge and the number of sailings increased to about 40 daily.

Brittany Ferries: Portsmouth-St. Malo service switched to Roscoff. Plymouth - Roscoff operating normally and sailings increased.

P & O: One sailing a day from Southampton to Zeebrugge and four a day from Dover to Zeebrugge. Company operating a coach link to ferry Continental passengers to Zeebrugge from Le Havre and Boulogne.

Seaspeed: Hovercraft services between Dover and Calais/Boulogne operating normally. Frequency of 18 round trips daily being increased.

Hoverlloyd: Ramsgate-Calais service operating normally—up to 27 round trips a day.

Seajet: Brightoo-Dieppe jetfoil service suspended. Passengers being routed by ferries or aircraft.

Dunkerque-Ramsgate Ferries: Service switched to Flusbing in Holland. Frequency reduced from six sailings a day to one or two.

British Airways bas obtained government permission to offer a special £25 single fsre between London and Paris to passengers stranded in either country by the port blockade. Air France is obtaining from the French Government a similar concession.

Tickets, whicb will go on sale immediately in British Airways and Air France offices in London and Paris, will be available for flights between the two capitals this morning. Passengers applying for them must prove they are holding or have held reservations and tickets on ferries and bovercraft operating between British and French ports.

British Airways said: "We are trying to help holidaymakers who are unable to start or end their holidays.

The present single fare is £55.

£ in New York

—	Aug. 15	Previous
Spot	\$2.3680-3710	\$2.3770-3780
1 month	1.34-1.29 dis	1.43-1.38 dis
3 months	3.57-3.52 dis	3.52-3.47 dis
12 months	7.70-7.55 dis	7.55-7.55 dis

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES:		
Barclays Bank	412	+ 7
Barrow Milling	42	+ 5
Brown (J.)	60½	+ 4
Cohen (A.)	240	+ 10
Commercial Union	162	+ 7
Fisons	235	+ 10
GEC	492	+ 6
Harris (P.)	80	+ 7
Hopkinsons	85	+ 7
Martin (R. P.)	63	+ 3
Matthews (B.)	238	+ 22
Phoenix Assurance	278	+ 8
Reckitt & Colman	200	+ 6
Redland	179	+ 4
Royal Insurance	420	+ 18
Tarmac	272	+ 6
Thorn EMI	350	+ 8
Imp. Cont. Gas	808	+ 12
LASMO	720	+ 8
Castlefield (Klang) Rubber	500	+ 20
Hidong Estate	61	+ 5
Sogomana	360	+ 20
Cons. Gold Fields Australia	500	+ 60
Gopeng Cons.	560	+ 45
Nickelore	75	+ 16
Rustenburg Plat.	244	+ 9
FALLS:		
Blagden & Noakes	113	− 9
Cope Sportswear	13	− 2
Coral Leisure	59	− 4
Ratcliffs (Gt. Bdge.)	40	− 4
Strata Oil	118	− 14
Anglo Am. Corp.	650	− 20
East Rand Prop.	£13¼	− 1¼
Gold Fields of SA	£30¼	− 1

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French ports blockade highlights fishing industry's decline

BY DAVID WHITE IN PARIS

TWO EVENTS have marred France's holiday season this year: forest fires and the paralysis of its ports. It is a moot point which of the two is spreading faster.

As the blockades of fishing boats seal off harbours one by one—first on the Channel and perhaps now the rest of France's 2,000 miles of coast from the Atlantic to the Mediterranean—the origins of the conflict are being lost in a morass of political argument and mutual recrimination, not least against the chaotic state of EEC fisheries policy.

Faced with an army of stranded Britons running out of money and patience, with an increasingly unified front in the fishing communities and with a serious risk of trade, the Government may well be forced to re-think its tough position.

A meeting scheduled today in Le Havre to arbitrate between trawlermen and fishing-fleet which two weeks ago involved the specific claims of 700 trawlermen in Boulogne threatens to involve the whole of an industry which directly employs 23,000 people and on which 100,000 other jobs depend.

Skirmishes between fishermen and tourists or yachtsmen have become more frequent and violent. The ports are losing vital business. Le Havre, the third busiest port in Europe, blockaded since last Wednesday, is reckoned to be losing FFr 5m (£500,000) a day. More than 60 ships were stuck inside or outside the harbour yesterday and 3,600 dockers have been laid off.

At least two separate conflicts have been merged into one. The first involved the problems of the deep-sea trawler fleet and its salaried employees. In April, the Government offered FFr 30m in aid to help owners overcome difficulties caused by soaring fuel prices. But it came on the strict condition that the companies draw up economy measures.

In Boulogne, the biggest deep-sea fishing centre, prospects for an agreement appeared at first to be good. But last month, the owners started refusing to send their trawlers out with their full 22-man crews. The seamen refused to go out at all.

Last week, inshore fishermen from Etaples, 40 miles down the coast, joined in and started the blockade movement. For them, it was a question of opportunism. To an orthodox industrial dispute between employees and employers they added the grudges of a different class of fisherman. The country's 12,000 "craft" fishermen, who take about half the overall catch, have little in common with the trawlermen. Their boats are smaller, family owned, their working conditions different, their fishing grounds nearer home.

The only common platform—and the Communist-led CGT union was quick to make the most of it—was the issue of fuel subsidies. For the past four years, the Government has given the fishing industry a tax rebate of 10.5 centimes per litre of diesel oil. This subsidy has now become a tug of war between the EEC Commission, which condemns it, and the fishermen and trawler owners for whom it has become totally inadequate.

> Faced with an army of stranded Britons, increasingly unified fishing communities and a serious risk to trade, the Government may be forced to change its tough stance.

The Communist party itself, anxious to find a national issue to fill the August political vacuum, has jumped on the fishermen's bandwagon, with the Socialists not far behind them. The northern region around Boulogne and Lille is strong Socialist territory.

French public opinion has tended to sympathise with the fishermen.

The Government sought to rally more opinion to its side by publishing figures of trawlermen's pay. On one of the Boulogne trawlers, it said, the master earned FFr 519,000 (£53,000) a year, a good deal more than an airline pilot or a tanker captain. The chief engineer earned FFr 279,000 (£29,000), a reasonable executive salary, and a sailor with a few years' experience FFr 117,000 (£12,000).

These figures are disputed by the trawlermen, who are fighting moves to trim their pay. They say they usually earn much less for 23 days a month at sea and often 16 hours' work a day. And while the Boulogne trawlermen are certainly among the world's best-paid fishermen, many of those working in the fishing industry in France earn less than the minimum national wage.

The problem of small "craft" fishermen could turn out to be more difficult to resolve than the deep-sea dispute. For them, as long as the state remains aloof from the issue, there is no other way their demands can be satisfied.

The Government so far has refused to bow to union pressure for national-scale negotiations. M. Joel Le Theule, the Gaullist Transport Minister with responsibility for fisheries, and one of the few members of the Government not on holiday, has been cast once more as the tough man at the centre of a summer dispute. For the past two summers he has been at loggerheads with striking air traffic controllers—another conflict that will long be inscribed in travellers' memories.

The Minister has said he has "a whole arsenal" of measures still at his disposal—and that this does not necessarily mean sending in the navy, which he did, unsuccessfully, in Le Harve last week.

But what alternatives does the Government really heve? It has rejected extending its FFr 30m aid package, less than half of which has been used. It is already providing finance directly and indirectly for the purchase of new boats and spending FFr 53m a year on its fuel subsidy. This, it says, gives French fishermen fuel at half the petrol-pump price, less than their EEC competitors have to pay, and has already brought France under the threat of a European Court case.

The CGT is compaigning for curbs on fish imports. France's deficit in the sector is currently running at over FFr 3bn a year. M. Le Theulo says the Government cannot put up import barriers at the same time as it is seeking access to UK fishing waters.

Whatever short-term aid the Government may now be forced to contemplate, it is unlikely to provide a solution for the sector's long-term crisis. The number of direct jobs has has already been cut by half in the past 25 years. A report just published in preparation for France's 1981-85 national plan foresees another 8,000 jobs going and a further cut of 40,000-50,000 in the number whose livelihood depends indirectly on fishing.

Over-fishing and scarcity of of resources, the sharp rise of oil prices, poor home market prospects and distortions in EEC policy combined, it said, to put France's fishing industry in "the most unfavourable situation it has ever known."

"French fishing," a disgruntled fisherman was saying on television this week, "will perhaps end up like the textile business or the coal mines." It was hard to know whether this was a protest or a statement of fact.

Small ferry services hardest hit

BY OUR SHIPPING CORRESPONDENT

THE DISRUPTION of the cross-channel ferry services could not have come at a worse time for the shipping companies. They are in the midst of a price war that has eroded their profit margins and August is the month when they need to make money.

About 50,000 passengers and 8,300 cars a day pass through Dover during August and the companies rely heavily on peak summer profits to subsidise services during the winter.

The companies suffering most are the smaller ferry companies that do not have access to non-French ports. Seajet, the Brighton Jetfoil operator, is at a standstill and its passengers are being sent by air or with other ferry operators. The company is either refunding their money or paying part of their air-fare.

Dunkerque-Ramsgate Ferries, which started using Ramsgate this summer, has also been hard hit. Instead of the 7,500 passengers and 1,000 cars per day that it can manage it is carrying around 1,000 passengers and 350-400 cars. It has re-routed its service from Dunkerque to Vlissingen (Flushing) in Holland. But the crossing takes nearly three times as long, costs more in fuel and is attracting fewer passengers.

For the two major operators, Townsend Thoresen and Sealink, the picture is not quite so bad. Both of them are sending extra ferries to Ostend and Zeebrugge in Belgium.

Although the crossing is again about three times as long and the ferries are burning extra fuel, they are still carrying the passengers they would have carried on the other routes. They are also picking up passengers that would have travelled on other ferry services. Townsend Thoresen, in particular, is well placed to cope with the crisis and its 10 vessels are now doing around 40 trips a day to Zeebrugge.

Commercial freight services provide up to half the ferry companies' revenues and these have also been disrupted.

This is damaging for exporters and could affect future traffic. Already there are signs that companies are sending more and more trailers unaccompanied and these tend to go across the North Sea ports as opposed to the Channel ports. This is because idle drivers are considerably more expensive than idle trailers.

Long wait at Le Havre for stranded British holidaymakers.

Insurance cover extended for stranded UK drivers

BY ERIC SHORT

BRITISH MOTORISTS stranded in France by the actions of the French fishermen will not lose their motor insurance cover because the normal period has expired. This was made clear yesterday in a statement from the British Insurance Association.

Many motorists touring the Continent obtain extensions of their motor insurance, the so-called green card. This usually expires on the day of return to the UK. So if motorists miss the ferry by 24 hours they are left for that period without the extension of cover.

The BIA said yesterday that British insurance companies and Lloyd's are extending the period of cover under the green cards until normal ferry services resume and motorists can return to Britain.

The Automobile Association also confirmed that the cover on the personal security section of its Five Star Plan applied to expenses incurred for meals, hotel accommodation and petrol as a result of the delays. But it pointed out that vouchers issued could not be used for hotel bills or paying bills. Motorists had to meet the expenses themselves and claim them back when they return home.

The Royal Automobile Club, too, said that these extra costs were covered in its Family Holiday Insurance and that the credit vouchers in its Cordon Bleu associated cover could be used to pay hotel bills.

Haughey set for economic U-turn

BY STEWART DALBY IN DUBLIN

IRELAND'S Prime Minister, Mr Charles Haughey, appears to be on the point of making a U-turn on economic policy.

In a speech over the weekend, Mr Haughey said the balance of payments position had improved to the extent that the Government was prepared to spend money on job creation.

The promise is conditional on the unions' accepting the moderate level of wage increase in the new national understanding between the unions and employers.

At the moment, unemployment is running at over 100,000, more than 10 per cent of the work force.

In the last Budget in February Mr. Haughey argued that because of the balance of payments deficit, deflation was necessary. He cut public expenditure programmes and also reduced current account deficit. In all, the Public Sector Borrowing Requirement was cut from 13.4 per cent in 1979 to just over 10 per cent this year.

The medicine seems to have worked, in that the balance of payments deficit has fallen from well over I£700m (£631m) to between I£600m and I£700m.

Mr. Haughey wants the unions to agree to a national understanding, which would allow an across-the-board wage increase of 8 per cent.

The unions are demanding 20 per cent at least, in line with the present rate of inflation. Mr. Haughey said that only if the Government could save money by moderating the level of pay settlements, particularly in the public sector, would it have the funds available for job creation.

Bundestag debate on steel issue unlikely

By Jonathan Carr in Bonn

PROSPECTS ARE fading for a premature recall of the Bundestag, the Lower House of the West German Parliament, over the strongly divisive issue of worker co-determination in the steel industry.

The Social Democrats (SPD), the senior partner in the Bonn coalition government, had threatened that they might force a recall over the matter before the general election on October 5.

They wanted to push through a Bill to safeguard equal representation of workers and shareholders on the supervisory boards of steel companies, following an announcement by the Mannesmann group of reorganisation plans which would release it from requirement of strict numerical parity under the 1951 Worker Co-determination Act.

But after a meeting yesterday between senior SPD and trade union leaders, it was made clear that no early parliamentary session is being planned at present.

It has become increasingly obvious that the SPD stands no chance of gaining parliamentary support from its coalition partner, the liberal Free Democratic Party (FDP), on the issue. And while both coalition parties are seeking to portray themselves as independent forces before the election, it is also recognised that a stand-up row between them now over co-determination might well prove counter-productive.

Various compromise proposals are being circulated, but so far meetings between the management of Mannesmann and the IG-Metall trade union have brought no progress.

The argument arose after Mannesmann announced plans to merge its pipes and steel divisions

Danish 1981 budget deficit forecast to rise by £300m

BY HILARY BARNES IN COPENHAGEN

DENMARK'S BUDGET deficit is planned to rise from DKr 12.3bn (£950m) this year to DKr 16.3bn (£1.25bn) next year, or from 3.2 per cent to 3.8 per cent of the gross domestic product, according to the draft for 1981 presented by Mr. Sven Jakobsen, the Finance Minister.

Govornment revenue is forecast to rise by 10 per cent to DKr 120.1bn and expenditure by 12.2 per cent to DKr 136.4bn. The gross borrowing requirement should rise from DKr 37bn to DKr 49bn, of which about DKr 45bn will be financed through the domestic bond market, he said.

Gross domestic product is expected to rise by about 1.5 per cent next year after falling by 0.5 per cent in real terms this year, according to forecasts accompanying the budget. Unemployment, however, should rise from an average of 6.3 per cent to 6.9 per cent; private consumption should fall by 0.5 per cent after declining by 3.5 per cent this year.

Consumer prices, after rising by 13.5 per cent this year, are likely to rise by 9.5 per cent in 1981 and the current balance of payments deficit is forecast to fall from about DKr 18.5bn this year to DKr 15.5bn next, of which DKr 14.5bn will be interest on foreign debt.

Right presses for early election in Turkey

BY METIN MUNIR IN ANKARA

SENSING a swing towards the Right in Turkey, the principal Right-wing parties, including the ruling Justice Party, are pressing for an early general election. The Lower House of Parliament meets today to debate two early election motions.

One, tabled by Mr. Necmettin Erbakan's small Islamic fundamentalist National Salvation party, calls for the election to be brought forward from June, 1981, to this October 26.

The second has been proposed by Mr. Suleyman Demirel, who leads a minority Government. His Justice Party decided unanimously yesterday to back a Bill favouring an early general election any time this year.

The motions are also supported by the third Right-wing party in Parliament, Mr. Alparslan Turkes's extremist nationalist Action Party, which is the principal supporter of Mr. Demirel's administration.

Under the constitution an absolute majority of the 450-seat Parliament is required for dissolution. A major battle is expected to erupt today when the legislative wheels start to move. At this point Left aod Right are closely balanced in Parliament.

The Prime Minister's sweeping victory at the mid-term elections last year led to the resignation of Mr. Bulent Ecevit's uosuccessful Social Democratic administration. He is confident of repeating the victory at an early election and of gaining enough seats to form a majority administration.

Mr. Demirel's economic measures have had a degree of success. The widespread shortages which made life difficult under the Ecevit administrations have been largely eliminated and inflation has dropped from an average of 7 per cent a month last year to 3 per cent since last March.

However, his performance in law and order has not been impressive. More than 250 people die in terrorist incidents every month. But Mr. Demirel appears to consider that the public has confidence in his conduct of the struggle against armed extremists.

Last but not least, Mr. Derimel plans to benefit from the disarray in Mr. Ecevit's camp. The latter's Republican Peoples Party has not recovered from its electoral defeat last year and is rent with factional fights.

Mr. Ecevit, aware of his weakness, is strongly opposed to an early test at the polls. He also believes that law and order is so disrupted that a fair vote is impossible. He may well bo justified in this view since some parts of the country appear to be under the control of terrorists on the right and the left who might prevent free balloting.

Moscow 'unlikely to intervene' in Poland

BY LESLIE COLITT IN BERLIN

ONE OF POLAND'S most influential political dissidents, Mr. Jacek Kuron, has predicted the Soviet Union will not intervene by force in Poland as long as Poles do not "start to topple" the Polish Communist leadership.

He said his Workers' Self-Defence Committee (KOR) intends to continue telling Polish workers to "set up committees instead of starting fires."

Mr. Kuron accused the Polish authorities of "conjuring up the danger of Soviet intervention against the striking workers." because the Government realised it had lost the confidence of the people. Mr. Kuron was writing in the West German newspaper, Die Welt.

Mr. Kuron, who helped found KOR in 1976, said that the Warsaw Government "does not dare to eliminate the strikes by force" or to suppress the strikes because of its bitter experiences in the past.

The population, he said, had learned the "great lesson" that one can strike without too great a risk. But the partly leadership could easily "lose its head" and apply the "iron hand," he wrote. This would lead to a national tragedy.

KOR is the main source of informatioo on the strikes in Poland, and Mr. Kuron said its influence among workers would now increase greatly.

Mr. Kuron said that the population is demanding democratic reform of the economy and the mass media and the right to negotiate with its rulers. But the Government "rightly fears" that accommodation could "unleash forces which it can no longer control," Mr. Kuron said he feared the Polish leadership would not take the risk.

Mr. Kuron was born in 1934 and was a promising university lecturer in Warsaw in the 1960s, when he was removed from the party and imprisoned for demanding inner party democracy. Last March, he was detained by the police after calling for a boycott of Poland's parliamentary elections.

Anxiety in E. Germany and Czechoslovakia

BY OUR BERLIN CORRESPONDENT

WELL OVER 100,000 East Germans and Czechoslovaks who are now on holiday in Poland have become a major problem for their security-minded governments. Many of the mare camping along the Baltic coast and are passing through Gdansk, Gdynia and Sopot, the three towns that are at the heart of the Polish strike movement.

Their eye-witness accounts of the Polish strikes have gained credence at home because of the tight censorship on news from Poland and East Germany and Czechoslovakia.

East German newspapers yesterday broke their silence on the strikes in Poland and reported Friday's speech by Mr. Edward Babiuch, Poland's Prime Minister, in which he blamed severe floods for many of the country's current economic problems.

A brief dispatch also mentioned "disturbances in the rhythm of work" in Poland.

East Germans and Poles can enter one another's countries without visas but considerable strains have built up because Poles visiting East Germany often use the opportunity for extensive shopping. This has annoyed East Germans whose own supplies are often erratic and, in May, Poles were restricted to 14 visits to East Germany a year.

The animosity between Poles and East Germans in recent years and the far higher standard of living in East Germany would appear to make East Germans immune to the Polish strike virus. Poland, however, is admired by many young East Germans for its more liberal political system and the many small freedoms Poles enjoy. The East German authorities are taking no chances and are prepared to close the Oder-Neisse border entirely if the Polish unrest deepens.

Both the East German and Czechoslovak Governments recall what happened only 12 years ago. On August 21, 1968, when Soviet-led forces occupied Czechoslovakia to put an end to its brief experiment with democratic socialism, many East Germans, most of them young people, were in Czechoslovakia. They returned home and, for the first time, openly expressed opposition to their own rigid Communist system.

Dutch trade deficit doubles

By Charles Batchelor in Amsterdam

THE NETHERLANDS' foreign trade deficit nearly doubled in the first six months of 1980, according to provisional figures from the Central Statistics Office. More than half of the deficit was recorded in the month of June alone, though this was partly due to delays in traders filing returns for imports made in earlier months, the Economics Ministry said.

The trade deficit rose to Fl 3bn (£658m) in the first half of the year from Fl 1.8bn in the same 1979 period. Exports rose by 22 per cent to Fl 75bn but imports rose by 23 per cent to Fl 78bn.

The deficit for the month of June rose to Fl 1.65bn from Fl 300m in 1979. Exports rose by 9 per cent to Fl 11.9bn but imports increased by 22 per cent to Fl 13.5bn.

When the influence of trade in oil and oil products, and ships and aircraft—which are subject to large fluctuations—is excluded, Dutch trade was almost in balance in June. Imports amounted to Fl 10.4bn while exports totalled Fl 10.3bn.

The cost of both importing and exporting oil products, machinery, organic chemicals, iron and steel, and plastic rose. The value of imported crude oil and dairy products also increased but fewer foreign cars were bought. Dutch natural gas exports also rose in value.

Exports are expected to increase 1 per cent in volume this year, according to the main Government forecasting agency, the Central Planning Office. Pressure on incomes in the Netherlands will probably lead to a 2.5 per cent fall in the volume of imports. A worsening in the terms of trade means that no improvement in the overall trade balance is expected.

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Tourism up 4% worldwide last year, says OECD

BY JOHN WICKS IN ZURICH

TOURISM GREW by 4 per cent worldwide last year, according to a report by the Organisation for Economic Co-operation and Development (OECD) to be published next month. Some 270m tourists went abroad in 1979. Of this total, 185m, or about 70 per cent, were accounted for alone by trips to OECD member countries, including Yugoslavia.

A breakdown into individual countries is difficult because of differing statistical methods used by national tourist authorities, but an overall figure shows tourist spending abroad up by 3 per cent in OECD countries.

Despite the general rise in earnings, however, there was a decline in several countries. Among the main tourist countries in the OECD, this affected the United Kingdom (down 3 per cent), France (2 per cent), Spain (10 per cent) and Switzerland (5 per cent). In Ireland, income from foreign tourists is said to have fallen by no less than 25 per cent over the year.

Although actual income fell in the UK, foreign tourists spent 4.3 per cent more nights in the country last year—a total of 155.6m. The figure for France was 252.5m, up 3.1 per cent, and for Italy, 1.02m, a rise of 16.5 per cent.

OECD countries calculating tourist volume by border entries rather than bednights include Spain, which recorded a 2.7 per cent drop over 1978, the U.S. with a 1.5 per cent decrease, and Canada, where entries were down by about 3.5 per cent.

The four countries whose citizens travelled abroad most last year were West Germany, France, the UK and the U.S., according to the OECD figures. British tourists "discovered" West Germany—they spent 22.5 per cent more nights there compared with 1978—and the figure for British in Yugoslavia was up 21.2 per cent.

Marked growth is also shown in British tourists visiting Iceland, Canada, New Zealand and Finland, with increase over the year of between 13.6 per cent and 22.3 per cent.

Japanese tourists favoured Britain especially. Some 1.7m Japanese bednights were recorded in Britain, 41.7 per cent more than a year before.

The OECD says hotel and restaurant prices went up by 16-21 per cent in the UK last year, by 20-30 per cent in Spain, 5-7 per cent in West Germany and 2-3 per cent in Switzerland.

The report, a summary of which has been released by the Swiss Tourism Federation, says that tourism accounts for an estimated 21.8 per cent of Spanish exports. Comparable figures for Greece are 20.8 per cent; for Austria 20.4 per cent, and, for Portugal 18.3 per cent.

● Yugoslavia expects to earn a record $1.9bn in hard currency from tourism this year along with the highest ever inflow of foreign tourists, tourist officials told AP in Dubrovnik. Foreign tourists have already spent 10 per cent more nights in the country in the first seven months compared with a year ago.

Canberra forecasts surplus amid leak controversy

BY JAMES FORTH IN SYDNEY

THE AUSTRALIAN Government was last night expected to confirm that its Federal budget for 1980-81 aims for a small domestic surplus, the first since 1974.

The budget is due to be formally introduced to Parliament by Mr. John Howard, the Treasurer, tonight, but a freelance journalist has leaked details on television and in newspapers.

Mr. Howard has not denied the accuracy of the leaked report, and claims they could only have come from his personal staff, the Treasury or the Government printer. Federal police have been called in to investigate the breach of security. The informant faces a possible 10 years in goal under the Crimes Act.

A budget surplus, which compares with an A$2bn deficit in 1978/79 and A$1.5bn in the year just ended, has been a consistent target for the present Liberal-National Country Party coalition, headed by Mr. Malcolm Fraser. Under the former Whitlam Labour Government, the budget deficit expanded rapidly, and the Fraser government has steadfastly aimed at eliminating the deficit as part of anti-inflation policy.

A Budget surplus of A$39m is forecast despite a substantial rise in defence spending. Government spending is tipped to rise by 13.7 per cent in 1980-81 but revenue collections will go up by 16.2 per cent.

The major increase will be in the Government's crude oil levy, which has benefited by rising OPEC prices for oil. This will be reflected in tax receipts which are expected to rise by 15.9 per cent, although the Government also expects a greater return from company tax.

The Budget indicates that the emphasis is still on restraint and that present curbs on bank lending are likely to remain.

The money supply target is expected to be just under 10 per cent. This compares with the previous Budget aim of around 10 per cent, and the actual 1979-80 figure of 12.9 per cent.

Defence spending is expected to rise 17.7 per cent to A$3.5bn. There will be no overall tax concessions or other expensive hand-outs in an election year. There will be a small range of welfare concessions.

The Government is also expected to bow to industry pressure and include an accelerated depreciation allowance. The extra cost would be about A$60m in 1980-81 rising to about A$250m a year, within five years.

Vanuatu ready for showdown with rebels

THE newly independent government of Vanuatu, formerly the New Hebrides, is now preparing for a final showdown with Mr. Jimmy Stevens, the rebel leader on the island of Espiritu Santo, David Tonge writes.

Yesterday, a force of 150 infantrymen from Papua, New Guinea, flew into Luganville, capital of Espiritu Santo. They replaced a force from Britain and France. The new troops met no resistance, though, as they landed a nearby volcano erupted—an ill omen for many of those in the world's newest nation.

The troops found the headquarters of the political movement of the rebels deserted. The troops' commander, Lt.-Col. Tony Hnai, that that he did not expect to advance on the rebels' headquarters outside Luganville for about two weeks.

Indian towns tense

Tension remained high yesterday, in several north Indian towns rocked by religious riots, but no new violence was reported. Reuter reports from New Delhi.

Mrs. Indira Gandhi, the Prime Minister, told Parliament that violence was growing in the country and this affected a vast majority of poor people as well as hampering development. Meanwhile, troops and police in the northern state of Uttar Pradesh continued patrolling Maradabad and Aligargh, where an indefinite curfew, imposed last week, is still in force. The authorities announced that rioters will be shot on sight.

Russia visit 'put off'

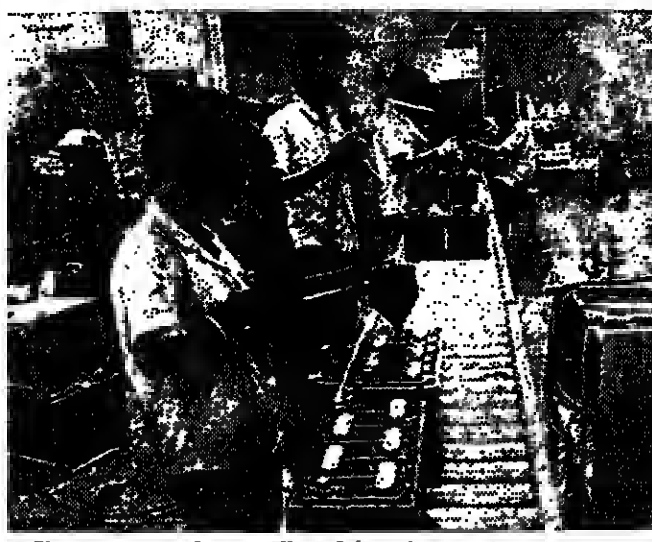
The visit by Mr. Lee Kuan Yew, Prime Minister of Singapore, to Moscow later this month has been "put off," a Singapore official said yesterday, AP reports from Singapore. The Soviet Union had requested postponement of the visit because of Mr. Aleksei Kosygin's illness, diplomats said.

Migrations to stop

India and Bangladesh have agreed to stop illegal migrations, and to prevent their countries being used for hostile activities against each other, Reuter reports from Dacca.

Stopping Singapore going soft

BY KATHRYN DAVIES IN SINGAPORE



Singapore workers—The drive is on to reverse some undesirable effects of affluence.

SINGAPORE'S Prime Minister Lee Kuan Yew is leading a campaign to reverse some of the more undesirable effects of full employment and increasing affluence on the attitudes of the Republic's work force.

Two surveys made public this week—one carried out by the Ministry of Labour and the other by the Economic Development Board—had some hard things to say about a minority of workers, who were deemed irresponsible, lazy, greedy and unwilling to learn new skills.

Among the 28 commercial and manufacturing concerns visited by a team from the Labour Ministry, employers quoted a number of instances in which their workers had performed less than satisfactorily.

One textile factory manager complained that his workers refused to work overtime to fulfil an urgent export order because they wanted to watch a popular Chinese television series. The company first locked the factory gates to prevent employees leaving the premises but then less drastically installed a television set and gave the workers time off to watch the programme.

Other examples include an electronics firm which claimed that a cleaner, frequently under-employed, had refused to water the plants because he said it was a gardener's job. Clerks in two banks which computerised their cheque clearing service claimed an extra allowance, although their employers said that the additional work involved was minimal. Technicians in a local shipyard demanded the same pay and allowances for working normal hours as they received for working overseas on 24-hour call. When this was refused they said they wanted to be sacked.

The Economic Development Board (EDB), which surveyed 13 companies, highlights a complaint by many employers that workers take advantage of a tight labour market to "job hop." One company sent a plant engineer for overseas training only to lose him to another firm two months after his return. The EDB report says: "The resignations of senior staff (in such circumstances) smack of dishonesty, lack of commitment, lack of determination and speak badly of our people as a whole."

These revelations are particularly worrisome to a Government which in recent years had enjoyed a close relationship with the Republic's trade unions and enviable industrial relations. There have been no strikes for more than two years.

Singapore is currently in the midst of restructuring the economy—the so-called second industrial revolution—in which worker attitudes and willingness to learn new skills play a vital part. But in a tight labour market where workers prefer to be sacked rather than laid off when business is slack and when pay rises for the past two years have been in the order of 20 per cent, there are fewer incentives to greater productivity.

Prime Minister Lee seems sufficiently anxious about the effects of such negative behaviour to authorise publication of the two confidential reports even at the risk of damaging investor confidence.

However, Ministers point out that only a minority of workers exhibit such undesirable characteristics. And, in true Singapore style, a campaign has been launched to change the ways of the deviants.

But whether mere exhortation, even from the top, will have the desired effect seems questionable. Union leaders are arguing that the problem is not as one-sided as it appears and that bad management is at least equally responsible for some of the difficulties Singapore now faces in upgrading the economy.

Chun nominated Korea President

SEOUL—Gen. Chun Doo-Hwan, South Korea's strongman, moved a step closer to supreme power in the country yesterday, when he was nominated to succeed President Choi Kyu-Hah, who resigned on Saturday.

More than 400 Presidential electors unanimously endorsed the nomination of the General, who has slowly emerged as the country's dominant force since assassination ended the 18-year rule of President Park Chung-Hee last October.

Gen. Chun, 47, has only to give his consent to formalise the nomination and is regarded as certain to be elected president. No other candidates have been endorsed so far.

The election may be this month, government officials said. Under the 1972 Constitution, which scrapped the popular vote for President, Gen. Chun needs a simple majority of the 2,540 members of the electoral college, the National Conference for Unification.

President Choi said he quit the job after eight months because he wanted to set a precedent for a peaceful change of power.

Kim Dae-Jung, the prominent South Korean dissident, called his court-martial "political repression" and refused to answer questions yesterday, as four army generals ordered his trial on charges of sedition separated from the cases of 23 others.

Reports of the court-martial session were heavily censored by martial law authorities, eliminating references to Kim's comments, or those of another defendant who protested at the court-martial. But observers from foreign embassies who attended, confirmed the comments.

Kim, 56, faces the death penalty if convicted of either of two of the six separate charges against him.

Agencies

Report faults Homelands policy

BY BERNARD SIMON IN JOHANNESBURG

THE ECONOMIC development of South Africa's black tribal "homelands" has not matched expectations, a Government research body attached to the Department of Black Affairs has concluded.

Despite frequent claims by South African Government officials that the Homelands compare well with the economies of other African states, the research body has said that only 10 African countries had recorded lower per capita growth rates between 1970 and 1976. The gross domestic product of the Homelands rose from an average of R42 per head in 1970 to R68 six years later.

A report, by the Bureau for Economic Research in Pretoria, questioned the advisability of creating separate but "struggling" economies within South Africa.

The Bureau has also cast doubt on the feasibility of reversing the flow of blacks from the rural Homelands to the "white" cities—one of the main targets of the National Party Government.

The Bureau's report suggested that several towns which are now regarded as "white" should be incorporated into the Homelands as one way of attracting more economic activity.

Moslem powers plan joint action against Israel

CASABLANCA—The 14-nation Islamic Committee on Jerusalem agreed yesterday to convene an emergency conference of all the world's Islamic countries in Morocco next month to take joint action against the Israeli annexation of Arab Jerusalem.

The committee ended three days of secret talks under the chairmanship of Morocco's King Hassan II with a resolution calling for a worldwide campaign against the Israeli action.

With a majority of moderates, the committee stopped short of adopting militant demands made by Mr Yassir Arafat, Palestinian guerrilla leader. Delegates said acrimonious exchanges broke out behind the scenes.

The committee rejected Mr. Arafat's demands that all Islamic countries immediately open recruiting offices for volunteers to join in a Jihad (Holy War) to recapture Jerusalem and Israeli-occupied Arab lands. The committee approved a Jihad in principle but took no concrete decisions for carrying it out.

Our Foreign Staff writes: Qatar and Bahrain have endorsed Crown Prince Fahd of Saudi Arabia's warning of a Jihad against Israel over declaring Jerusalem the "eternal" capital of the Jewish State.

Mr. Ahmed bin Seif al Thani, Qatari Minister of State for Foreign Affairs, said: "This call is the only possible decisive response to Israel."

Reuter adds from Jeddah: Mr. James Craig, British Ambassador to Saudi Arabia, flies back today, signalling the end of the four-month rift between the two countries.

Eritrea nationalist clash threatens fragile unity

BY DAN CONNELL IN NAKFA, ERITREA

TENSIONS between rival Eritrean nationalist organisations have erupted into armed clashes, threatening their fragile unity against Ethiopia's Russian-backed army.

An official of the Eritrean People's Liberation Front charged the smaller Eritrean Liberation Front with initiating a series of attacks against EPLF guerrilla units. "The ELF has been waging an undeclared war against the EPLF, for three months," Mr. Sbbat Efrem, the EPLF Political Bureau member said.

The crisis comes at a time when Ethiopia is reported to be mobilising large quantities of new Soviet heavy arms for a major counter-insurgency campaign against the Eritrean nationalists. The EPLF's official radio this week calls on El fighters to halt "h[illegible] actions" and unite against their common enemy.

The ELF has had large s[illegible] defections back to EPLF [illegible] the Ethiopian Government si[illegible] early this year. According [illegible] Mr. Sbbat, since January, m[illegible] than 1,400 ELF members h[illegible] deserted to Ethiopia and 8[illegible] have joined the EPLF, while [illegible] unknown number have fled [illegible] Sudan.

Speaking behind the front lines, near where EPLF forces now face an estimated 40,000 heavily-armed Ethiopian troops, the veteran guerrilla leader charged that the ELF had avoided direct contact with Ethiopian forces, while attacking EPLF units in outlying areas and harassing their cadres and civilian supporters.

AMERICAN NEWS

Machinists and autoworkers would have largest membership

Two leading unions explore merger

BY IAN HARGREAVES IN NEW YORK

TWO OF the largest and most left-wing trade unions in the U.S.—the machinists and the autoworkers—are to explore the possibility of a merger.

If agreement was reached, the combined union would have a membership of 2.3m, making it the largest in the country, ahead of the teamsters with 2.2m.

Although the proposal is at an early and informal stage and any merger plan fraught with difficulty, the idea is being taken sufficiently seriously to be included on the agenda of the machinists' executive council meeting in the next two weeks.

The International Association of Machinists and Aerospace Workers and the United Auto Workers have flirted witbt he idea of joining together several times in the last decade, but top-level contacts between the two unions appear to have set this latest attempt on a more promising road.

Mr. William Winpisinger, the machinists' president, apparently made the merger proposal informally to Mr. Douglas Fraser, president of the autoworkers earlier this month. Mr. Fraser agreed to take the matter up with his fellow officers and board members.

Mr. Winpisinger has himself removed one prime obstacle to unification of the unions by his strong stance on liberal political issues—a stance more associated with the UAW and its leadership.

Mr. Winpisinger earned himself a spot of the national limelight at last week's Democratic Party convention in New York by staging an admittedly almost invisible walk-out among his delegation before President Jimmy Carter mounted the platform to deliver his address accepting the nomination for the party's candidacy for President.

This act, which earned Mr. Winpisinger the soubriquet of "the only real Democrat" in the convention issue of the liberal New York Village Voice newspaper, has certainly helped his image with the Kennedy wing of the Democratic Party.

Mr. Fraser himself was an early backer of Mr. Kennedy, even though at the time he was trying to persuade President Carter to bail out Chrysler, of which Mr. Fraser is a Board member.

Liberals in the U.S. labour movement would dearly like to see the two unions combine their muscle and then move in on the AFL-CIO, the country's federation of labour unions, and inject a new vein of liberalism there.

The autoworkers left the AFL-CIO in 1968 over political and policy disagreements, but has been wooed to re-affiliate by Mr. Lane Kirkland, President of the Federation, since he took over office from the late Mr. George Meany just under a year ago.

But the UAW did not even put the question of re-affiliation on its agenda for its convention in Los Angeles this summer and there is scepticism among the union's leaders about the willingness of Mr. Kirkland to bring a new broom to the movement.

The machinists, whose membership includes the powerful aerospace industry workers and many other men in metals and engineering, is an AFL-CIO-affiliated union.

Obviously in favour of a merger, however, is the fact that the two unions already negotiate jointly with many companies in aerospace, copper and brass, and truck-making.

Strike ends at Reuters

NEW YORK—Newspaper Guild employees at Reuters voted at the weekend to end their 23-day-old strike against the British-based news agency and return to work, union officials said.

Harry Fisdell, executive vice-president of the New York newspaper Guild, said the three-year contract was ratified by a vote of 78 to 16 at a meeting at Guild offices.

On Friday, about one-third of the strikers ratified the proposed contract at meetings held in Chicago and Washington, the U.S. cities with the largest Reuter workforces outside New York.

Mr. Fisdell said under the new contract, which was offered to union members without endorsement from the Guild negotiating committee, employees will receive wage increases of 6.75 per cent in the first year, back-dated to last January, 6.25 per cent in the second year, and 6.25 per cent in the final year.

AP/DJ

Reagan defends role in Vietnam

CHICAGO — Mr. Ronald Reagan, the Republican Presidential nominee, defended America's role in the Vietnam war as "a noble cause," yesterday, and called for a rebuilding of U.S. military forces.

He denounced U.S. President Jimmy Carter, for "betrayal" of the nation's veterans.

In remarks prepared for delivery to the Veterans of Foreign Wars annual convention, where he was to accept the VFW's formal endorsement for President, he attacked Mr. Carter's foreign policy as "one of weakness, inconsistency, vacillation and bluff."

It was one of Mr. Reagan's strongest pro-military speeches, and it was the first time in the 1980 campaign that he gave his unqualified endorsement to the U.S. involvement in the Vietnam war.

America's mistake in Vietnam was not entering the war, but failing to win it, he said.

"It is time we recognised that ours was, in truth, a noble cause. A small country, newly-free from colonial rule, sought our help in establishing self-rule and the means of self-defence against a totalitarian neighbour bent on conquest," he said.

"There is a lesson for all of us in Vietnam. If we are forced to fight, we must have the means and determination to prevail," he said, adding: "We dishonour the memory of 50,000 young Americans who died in that cause if we give way to feelings of guilt as if we were doing something shameful."

Mr. Reagan also listed alleged Carter injustices to veterans, describing the President's treatment of veterans as "unconscionable," "regrettable and insensitive," "hypocrisy" and a "betrayal."

"It has not escaped me that the Carter Administration has cut the veterans' administration budget each and every year of its incumbency with respect to the Federal budget. . . where has the money denied our deserving veterans gone? Surely not to our national defence, which is in shambles," he said.

Speaking of Vietnam veterans, Reagan said the Carter administration has been "shabby" in the benefits it has given them.

"It is the height of hypocrisy for the Administration in high-sounding words to repeatedly tell us how much we owe our Vietnam veterans and then, only in this election year, recommend a stingy 10 per cent increase in the GI Bill when these veterans have not had an increase since 1977," he said.

In Tokyo, Mr. George Bush, Republican Vice-Presidential nominee, arrived for a five-day visit to Peking and Tokyo, and said that "Japan will continue to be a pillar of U.S. policy in Asia."

Mr. Bush's talks with Japanese and Chinese leaders are expected to centre on growing Soviet presence in East Asia, and co-operation between the U.S., China and Japan.

AP

Walter Mondale . . . secret weapon

Mondale to take big part in campaign

By David Buchan in Washington

PRESIDENT Jimmy Carter enters the Presidential election campaign with few assets, trailing Mr. Ronald Reagan even in some big industrial states that form traditional Democratic bed-rock support.

But Mr. Walter Mondale is one of his "secret weapons," Mr. Carter said, and White House strategists are carving out an important campaign role for the Vice-President.

First and foremost, Mr. Mondale is the President's top cheer leader. After his name was ritually voted on to the Carter ticket last Thursday night, the Vice-President went straight on to lead the Democratic convention in booing the name of Mr. Reagan, the Republican "enemy."

It served as a reminder that even the gentler holders of the number two spot on a Presidential ticket become the "hatchet men" during campaigns. In theory, at least, this allows Presidential candidates to take the higher road.

But Mr. Carter had other good reasons to laud Mr. Mondale last week as "the best running mate a President ever had." The Vice-President's virtually uncarping and unswerving loyalty during the past 3½ years in office, his still strong links to the Democratic Party's liberal wing and his proven popularity across a broad spectrum.

Indeed a recent New York Times poll showed that had Mr. Mondale been running on the ticket's top spot—as some before the New York convention had suggested—he would have trailed Mr. Reagan by only 12 percentage points, compared to a 20-point lag for Mr. Carter.

By all accounts, Mr. Mondale has played a more influential role than his Vice-Presidential predecessors. Coming from the similar background of rural, small town America, the personalities of Mr. Carter and Mr. Mondale mesh naturally. Mr. Mondale attends the White House foreign and domestic policy meetings, has access to practically every document flowing over the Oval Office desk, and apart from Mrs. Rosalynn Carter, is the only adviser to lunch alone with the President each week.

Mr. Mondale's makes it hard to judge how often his advice is heeded. He played a key role in the Government rescue of Chrysler, has been given prime foreign policy responsibility for Africa, and, as a former Senator of 12 years' standing, can claim some credit for what successes the Administration has had with Congress.

Certainly, Mr. Mondale could survive as a major party figure even a serious defeat this November on te Carter ticket. But it is an attractive feature in Mr. Mondale that, by his own admission, he lacks the over-weening ambition to conduct a full-fledged Presidential campaign of his own.

How Ecuador gained a new image

BY SARITA KENDALL IN QUITO

PRESIDENT JAIME ROLDOS of Ecuador celebrated the end of his first year in power this month with a certain amount of self congratulation. Despite all the criticism of the Government's failure to keep its promises of social change, democracy is flourishing in Ecuador. For the country's 7m people, who have emerged from a long period of military dictatorship in a notoriously unstable part of the world, that is no small achievement.

If any proof were needed to back up the 39-year-old President's assertion that his Administration has actively defended democratic principles and human rights at home and abroad, it was near at hand in the presence of Sr. Jaime Paz, who would have been Vice-President of Bolivia but for the recent coup, and other prominent Latin Americans invited to Ecuador for a somewhat dismal meeting on human rights in the continent.

Not only did the Government sponsor the gathering, but Sr. Roldos personally welcomed delegates with a call for more action and fewer words—as well as an invitation to search out any violations in Ecuador itself.

Sr. Roldos has given Ecuador a new international image, taking a much stronger role in regional economic and political issues, especially those concerning the five Andean Pact nations: Venezuela, Colombia, Ecuador, Peru and Bolivia. Although Ecuador is the smallest member of the Organisation of Petroleum Exporting Countries it is well represented in the organisation

Ecuador's President Jaime Roldos

with Sr. Rene Ortiz as secretary-general. Recent attempts by OPEC to aid oil-importing Third World countries and such groups as the Latin American Energy Organisation, based in Quito, have received the full support of the Ecuador Government.

The President has been accused of indecision and lack of leadership in internal matters, of dealing with one crisis after another without making progress towards longer-term goals. Sr. Roldos acknowledged some of his Government's shortcomings in a speech to Congress this month. But he attributed any apparent indecision to his refusal to be pushed to the extreme Right or the extreme Left.

The President can at least hope for greater co-operation from Congress with the downfall of his political arch-enemy, Sr. Assad Bucaram, his uncle by marriage. Sabotaged by his own party, the Concentration of Popular Forces (CEP), during the last sessions, Sr. Roldos has been forced to look elsewhere for support. Although the fragile coalition which elected Sr. Raul Baca Carbo of the Democratic Left Party to the legislature's presidency can hardly be called pro-government, it has been able to wrest Congress from Sr. Bucaram's manipulations, and promises more harmony between the legislature and the Presidency.

While Sr. Bucaram has been made the scapegoat for the country's political ills, the armed forces have been blamed for bequeathing the Government a disastrous economy and a bloated administrative structure riddled with corruption. President Roldos has managed to clean out some of the offenders—notably in customs—and an improvement in political stability has had its effect on the economy. Although this year's growth rate—forecast at about 5 per cent— is low compared with the mid-1970s, there is optimism about the economy.

Exports were up by more than 35 per cent over the first half of the year, with oil earnings at $634m. But as budget calculations were based on an oil price of $37 a barrel, and prices are now averaging $35 a barrel, there will be deficit of about 10bn sucres (£154m) and national plan projects will suffer.

The most explosive problem, as in most Latin American countries, is inflation. Ecuador's inflation has averaged a modest 12 per cent in recent years, and the prices of many basic foods, as well as all fuels, have been kept at rock bottom with generous subsidies.

Although price rises in general have not been as fierce as popular reaction might suggest, inflation is likely to be 20 per cent this year. The minimum wage was doubled at the beginning of 1980 and a 40-hour working week is due to begin in October.

Although employers claim these measures will hurt business, bankers and industrialists have commented favourably on the President's first year, and Sr. Roldos appears to have won confidence in these circles at the cost of disappointing an electorate which voted for fundamental social and economic reforms, and is getting impatient

WORLD TRADE NEWS

Cable Belt set to instal world's longest conveyor

BY PAUL CHEESERIGHT

A LETTER of intent for a $70m (£29.4m) contract to the supply and installation of the world's longest conveyor belt system, has been won by Cable Belt of Australia, a subsidiary of the Laird group.

Cable Belt will provide two conveyors, both longer than any operating at present, for the international consortium developing the $1.1bn Worsley alumina project in Western Australia. One conveyor will be 30.4km long, the other 21km long.

If the system works successfully, it will open up new markets and erode the primacy of the railway as a favoured system for carrying bulk materials over long distances at major natural resource projects. Cable Belt itself has had enquiries for about $200m worth of business since it started working on a system for Worsley.

The two conveyors will be used to carry bauxite from a mine in the Darling Ranges behind Perth to the processing plant at Worsley. The project is under the management of Reynolds Australia Alumina, a subsidiary of Reynolds Metals of the U.S., which has a 40 per cent stake.

Other shareholders are Shell Australia, with 30 per cent, Dampier Mining, a subsidiary of Broken Hill Proprietary, with 20 per cent and Kobe Alumina Associates, representing three Japanese trading houses, with 10 per cent.

Cable Belt worked for three years to win the letter of intent. Engineering and design work has cost nearly $1m.

There was always a danger, though, that the specific work for Worsley might be a waste. Cable Belt had to face not only competition from suppliers of rival transport systems but doubts within the consortium about whether its own system could work at speed over a length of 51.4km.

Cable Belt's system is different from conventional conveyors. It separates the carrying job of the belt from the means of driving it. The specially reinforced belt rests on cables which are driven by other cables. Conventional conveyors combine the driving and the carrying and the belt rests on rollers. In effect, they have to work harder and, hence, need more maintenance.

Over the last decade Cable Belt has managed to win acceptance for its system at mining projects in the Americas, Africa and Australia. But the longest system it has installed, at a Kentucky coal mine, is 15km.

However, the company started with two advantages. First, it had developed a habit of co-operation with Reynolds throughout the 1970s at a bauxite project in Jamaica. Second, it was prepared to provide a complete system and instal it: it offered a complete package which few rivals could match in scope.

A West German supplier of conventional conveyors was interested at one stage, and this year a Japanese supplier appeared on the scene, but neither was prepared to go as far with engineering and design of the system as Cable Belt.

When Shell joined the consortium, it had serious technical doubts about the matter and did its own engineering appraisal. It was only won over after officials had spent time studying the Kentucky system.

Dampier Mining was initially against the Cable Belt system, because it felt much of the equipment would have to be imported. Cable Belt climbed that difficulty by advancing plans for an Australian belting plant and siting it in Western Australia rather than in the East.

But the crucial factor helping Cable Belt was costs. Its capital charges would not be much different from a railway, but its operating costs would be between 30 and 40 per cent less.

UK chambers plan Cuba visit

BY RHYS DAVID

THE MANCHESTER and Merseyside Chambers of Commerce are planning a joint mission early next year to Cuba where the authorities have indicated an interest in expanding trade with Britain.

The mission, which is expected to consist of around 15 companies, will be arriving shortly after publication this December of the next Cuban five year plan when the various state trading bodies are expected to have drawn up lists of products they are anxious to obtain. Areas known to be of interest include machinery for the sugar, mining, offshore oil and shipbuilding industries, pharmaceuticals, fertilisers, hospital and hotel supplies and power equipment.

Cuban trade with Britain has been relatively limited over recent years partly because of low world prices for sugar, the principal Cuban export earner, have reduced the foreign exchange available.

After reaching a peak in 1976, when Britain sold Cuba goods worth £42.8m and bought goods worth £25.8m in return, trade fell back in 1977 and 1978, recovering again in 1979, when exports totalled £36.1m and imports from Cuba £15m.

In the first six months of this year British exports reached £15.7m and Cuban exports—boosted by higher sales of molasses and naphtha—climbed to £17.2m.

The Cubans, who are now earning better returns again for their sugar, are anxious to diversify away from dependence for technology on the Soviet bloc and have been trying hard to interest UK companies in trading possibilities. Officials from the Cuban Embassy have visited both Manchester and Liverpool and the state of Anglo-Cuban trade relations was discussed at a meeting last months with the Department of Trade. The Cubans have also strengthened their commercial office in London.

A mission from the Birmingham Chamber of Commerce visited Cuba earlier this year and although no orders were taken on the spot the 17 members believe business worth at least £2.7m should be generated in the next 12 months.

LCCI plans 'no frills' mission

BY PAUL CHEESERIGHT

THE LONDON Chamber of Commerce and Industry plans to run a series of what it calls "special business visits"—trade missions without frills—to Africa, the Middle East, Asia and North America, in an effort to compensate for reduced activity by the British Overseas Trade Board.

The plan is directed at small companies wishing to penetrate export markets. Such companies are the most likely to be adversely affected by the Government's decision, last May, to cut the export promotion budget by £16m over the next four years.

But the move by the London Chamber was welcomed yesterday by the BOTB, which had hoped that the private sector would respond to the lower public sector involvement in export promotion by mounting increased efforts on its own behalf.

In many respects, the BOTB noted, the private sector is just as well equipped to stage trade missions as a Government-sponsored body.

In any case, the BOTB said, its own system of trade missions had not been completely cut back. The main cuts were in Europe, which is easy for a businessman to visit on his own behalf. However, the cost of representation on any BOTB trade mission has been increased.

The London Chamber's main effort is outside Europe. Although in the year starting next November, it plans a special business visit to Monte Carlo, the thrust of its effort is world-wide.

Visits are planned to South Africa, Zimbabwe, Egypt, Algeria, Morocco, and Tunisia on the African continent, to Saudi Arabia, Kuwait, and Bahrain in the Gulf, to India, Japan, Taiwan, Singapore, the Philippines, Hong Kong, Thailand, and Singapore in Asia, to Australia and New Zealand in Oceania, and to the U.S. and Mexico in the Americas.

In an effort to hold down costs, the Chamber will have no representation of its own on the visits but will make the travel arrangements and make available to participants its own list of connections.

JAL buys four more jumbo jets

BY RICHARD C. HANSON IN TOKYO

JAPAN AIR LINES (JAL) has placed a provisional order for four more wide-bodied jets, valued at about $240m, as part of its long-standing programme to replace its ageing fleet with newer, more efficient aircraft.

The orders are for two Boeing 747s, and two McDonnell Douglas DC-10-40s, to be delivered by March, 1982. Last year, JAL ordered three DC-10s and three 747s for delivery by next March.

The new orders, subject to final approval by the Government which is a major shareholder in JAL, will bring the total to 60 aircraft. Presently, there are 36 747s and 14 DC-10s in service with JAL.

Agencies add from East Hartford: Pratt and Whitney aircraft, a unit of United Technologies, said its engines have been selected by JAL to power its four new Boeing 747 and McDonnell Douglas DC-10 jetliners.

● Boeing has received orders valued at about $125m for 10 aeroplanes—nine 737s and one 727, from four airlines, CP Air of Canada, Lan-Chile, Alitalia and Indian Airlines.

Taiwanese traders carve their niche in Europe

BY DAVID DODWELL

THE GOVERNMENT in Taipei, fighting to avoid economic recession after the most traumatic year in its 30-year life, has set its sights on Europe as a cure for its ills.

In the words of Mr. Y. T. Wong, Vice-Minister of Economic Affairs, after a recent tour through Europe: "Over-dependence on the United States and Japan has typified the Republic of China's trade in the past. We must put more emphasis on commerce with Europe and achieve a more balanced trade with the region."

This shift results from various shocks since the beginning of 1979—first, a fear of economic and diplomatic ostracism following decisions by the U.S., the World Bank and the International Monetary Fund to cut diplomatic links and instead recognise the Communist administration in Peking; second, a doubling of the oil import bill, which has plunged the balance of trade into deep deficit. After the last "oil crisis" in 1973, inflation temporarily leapt to more than 47 per cent.

The impact of the initiative has been almost immediate: exports to Europe in the first five months of 1980 are 58 per cent up on the same period in 1979, at $1.28bn. Exports to West Germany, Taiwan's biggest trading partner in Europe, are up by 62 per cent.

By contrast, exports overall (mainly textiles, garments, footwear, electrical and other machinery, plastics and wooden products) grew by just 32 per cent, with exports to the U.S. up by 31 per cent, and those to Japan actually down by 0.8 per cent.

Sales swell

Taiwan is a country that depends particularly heavily on foreign trade. In 1979, it totalled $30.88bn—30.2 per cent up on 1978—which accounts for 96 per cent of the country's gross national product (GNP).

Total trade has burgeoned from $2.26bn in 1969 to almost $31bn last year. And under projections laid out in the Ten-Year Plan for the decade ahead (published in March this year) the Government aims at a total trade of $200bn by 1990, which calls for 12.4 per cent export growth and 12.5 per cent import growth every year.

Europe's share of this trade, while never large, has been growing steadily. In 1969, the U.S. accounted for 31 per cent of Taiwan's trade (38 per cent of its exports and 24 per cent of its imports), with Japan accounting for another 31 per cent (15 per cent of exports and 44 per cent of imports) and Europe taking just 10 per cent (its share of imports and exports was approximately even).

By the end of 1979, Europe's share had grown to 13 per cent (a growth in value from just $220m to $4bn), while the U.S. share, still dominant, had slipped to 29 per cent and Japan's to 22 per cent.

This trade growth took place despite the absence of diplomatic relations between Taiwan and any European country. Diplomats from both sides concede that trade would have grown even more briskly if diplomatic links had existed.

The main reason for turning to Europe is clearly the setback in relations with the U.S. which, coupled with the prospect of an imminent recession in the U.S. economy, points to much slower growth in trade across the north Pacific.

In addition, economic problems at home, closely linked with the alarming rise in cost of imported oil, have brought fresh pressure to boost exports. In the first five months of this year, oil imports cost $1.6bn, compared with just $750m during the same period last year.

The interest in Europe has taken many forms. Numerous trade missions have been mounted during the past eight months, with the most recent, lead by Mr. Y. T. Wong, Vice-Minister of Economic Affairs, ending in late July.

Five European banks are to be allowed to establish offices in Taipei, and this week the British Bank, Grindlays, is expected to be the first to open. At present there are 22 foreign banks operating in Taiwan, none from Europe.

A joint venture between Spain's Union Explosivos Rio Tinto and Taiwan's China Petroleum to build an oil refinery in Indonesia marks a breakthrough in commercial co-operation between the two regions. Plans for Tatung, Taiwan's leading electronics manufacturer, to set up a colour TV factory in Europe—either in Ireland or at Decca's ailing British plant, is another indicator of close contact.

Import growth

While keen to promote its own exports, Taiwan recognises this must be linked with growing imports from Europe. Over the past decade, almost every country in Europe has held an unfavourable trade balance with Taiwan. In 1979, Europe's trade deficit with Taiwan stood at $606m, and it is likely to grow still further this year. In the five months to June 1, with imports from Europe growing at 27 per cent—only half the rate of export growth—Europe's deficit already stands at $480m.

The Government in Taipei insists it is keen to boost its imports of European high-technology goods. In reducing its reliance on the U.S., it has signed a letter of intent to buy European Airbuses and has hinted that future nuclear and thermal power units (20 nuclear units are planned over the next decade) could be built by European contractors.

Among major contracts recently won, Creusot-Loire of France is to sell $13m of steel refining equipment to the China Steel Corporation. Austria's Waargner Biro is to sell the Chinese Petroleum Corporation two sets of power plant equipment worth $12m, and has also won with Elin Union of Austria a contract for low-grade coal power plant equipment. A number of European companies are currently tendering for orders for boilers, generators and turbines.

Europe's principal exporter in Taiwan—West Germany—last year raised its exports by 50 per cent to $636m. Growth this year has been slower, however, with exports in the first five months up by just 29 per cent. Britain, in second place at the end of 1979 with exports worth $296m (20 per cent up on 1978), has seen exports rise 32 per cent during the five months to June 1, with Italy up 33 per cent and France just 1 per cent higher. The Netherlands, Europe's third largest exporter at the end of 1979, has boosted sales by 62 per cent.

Price cuts drive steadies sales

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

SPENDING in the shops has stabilised nver the last couple of months following tha extensive sales promotion and price-cutting campaigns of many retailers.

Department of Trade figures published yesterday show that the volume of spending in July was roughly the same as the averaga level of the previous twn months.

The provisional index last month was 101 (1976=100, seasonaly adjusted) compared with figures of 100.6 and 101.6 in tbe previous two months.

This level of trade is still lower than earlier this year. Sales from May to July were 1¼ per cent less than in the previous three months.

The levelling-out in volume of sales after the sharp fall of the early summer is prohably largely because of the extended sales campaigns.

The volume of trade in the first seven months of this year was about the same level as the average for 1979. It is prohabla that without extensive price-cutting the volume of sales might have heen lower.

The valne of retail sales in the first seven months was 14 per cent bigher than in that period of 1979, well below the average rate of retail price inflation. Indeed prices of durable housabold goods and clothing have risen by less than 10 per cent in the last year.

All this price-cutting has been partly at the expense of profit margins, as last week's results from F. W. Woolworth highlighted.

There is some concern in the retail trade that bousebolds may be bringing forward purchases of some items because of the large discounts being offered.

Retail Sales

		Volume index, seasonally adjusted 1976=100	Value, % change compared with year earlier
1979	1st	100.8	+11
	2nd	106.4	+15
	3rd	99.7	+11
	4th	101.7	+14
1980	1st	103.2	+18
	2nd	101.5	+11
	April	102.3	+13
	May	100.6	+11
	Juno	101.6	+ 9
	July*	101	+14

* Provisional.

Source: Department of Trade

Agreement on European electricity rates probe

By Alan Pike

THE ELECTRICITY Council yesterday told steel producers that it is willing to examine the prices which their European competitors pay for electricity and the extent to which these are snbsidised by governments.

A recent report produced jointly by private steel manufacturers and the British Steel Corporation complained that the British industry has to pay more for energy than competitors in Enrope and the U.S.

Representatives of the British Independent Steel Prodncers Association (BISPA) yesterday met Sir Francis Tombs, chairman of the council, to ontline their deep concern about the effect of what they regard as unreasonably high electricity charges. These are particularly serious for the electric-arc steelmaking process, used extensively in the private sector.

BISPA has warned Sir Keith Joseph, Industry Secretary, that bigh energy prices could become the means by wbich the Government "unwittingly destroys even efficient and competitive manufacturing indnstries."

County cricket club on a sticky wicket

IT IS a Tuesday morniog and the place is Worcester. The sun is sbining sufficiently to persuade two men to take off their shirts, but the 13 cricketers occupying the county cricket ground all have pullovers. Some have two: cricketers are ever cautious about the elements.

Around the ground is a sprinkling of spectators, perhaps 300. The third day of a county match between two teams in the lower half of the table in mid-August has never generated the greatest excitement, not even in a heat-wave summer.

JOURNEY ROUND ENGLAND

By Anthony Moreton

Leonard Burt

Mike Vockins, secretary of Worcester County Cricket Club.

Mike Vockins surveys this scene with all the phlegm he can command. For the past nine years he bas been secretary of Worcestersbire County Cricket Club, a period in which cricket bas slipped a notch or two in public estimation.

Although the county championsbip is still the bread-and-butter of the game, it no longer finances it. Worcester's gate receipts from the three-day game last year brought in just £5,556 towards a total income of £200,000.

The Sunday matches did much better, earning £13,535, but the bulk of the club's earnings came from membership subscriptions, at nearly £38,000, and the share of the pool distributed nationally by the Test and County Cricket Board, which amounted to £65,400.

Despite this, Worcester lost £33,000, and for the past two years its accumulated deficit is £61,000. "Unless we do something about this we sball have very serious problems," Mike Vockins says.

What the game is about now is promotion and sponsorship. "We bave managed to sponsor all our games this year, for wbich the sponsor pays about £600. Some ccunties charge a lot more, but we would rather get every matcb sponsored than have a couple of high payers.

"Anyway, this is not a county with a lot of rich industry so we have to be more careful. For the money, the sponsor gets his name on the scorecard, some advertising around the ground, plugs on nur address system, guest tickets and a dining room or marquee for entertaining.

"In return, the sponsor will often put up some prizes, such as an award for the fastest 50 or more than five wickets. They often invite the players in for drinks at the end of play."

Mike Vockins believes that one of cricket's problems is that it has been underpriced for too long; £1.50 for a championship match, £2 nn a Sunday. "Some members grumhle at baving to pay an annual subscriptinn of £18 and then bappily pay ont well over £100 to their gnlf club.

"If we put np our charges, though, we would drive away many nf those who form the bulk of our attendance. We get a lot of older people, retired or those living on fixed incomes. We would not want tn lose them, especially here at Worcester, where wa have a reputation of being a very friendly club."

But the need to pay its way is still there. "What we are trying to do is to find ways of not relying on our cricket income. We have started a lottery, and are pleased with its progress this year after a slow start.

"This year we sbould get £12,000 from it, and we bope that by next year we can get it up to between £20,000 and £40,000," be said.

If cricket is too cheap, among those wbn suffer are those employed by it. The players are better off than they have ever been even if they will not make a fortune from the game.

But the back-up staff are there because they like the job.

They could earn more elsewbere. This is particularly true of Mike Vockins. He was trained as an agricultural bio-chemist at Aberystwyth and came into the game by chance—"one of those crossroads that happen in life," he says—when undertaking research on rheumatoid arthritis in Gobowen.

Tomorrow: Hope springs eternal in Ledbury.

Sales slump hits department stores

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE SLUMP in retail spending, the smaller number of free-spending tourists and the strong pound have put the department store sector firmly in the front line of the economic recession.

Department stores bave been under increasing pressure for the past few years as a result of the growth of disconnt stores and the newer superstores and hypermarkets.

In the past year, department stores have been badly hit by the slump in consumer spending, especially in such areas as clothes, furnishings, consumer durables, and other household goods—areas which traditionally form the hackbone of department store sales.

In addition, the London department stores have been particularly affected by hoth the decline in numbers of tourists and the fact that the tourists who are here tend not to he the type which spends mnch in department stores. Executives are naturally less than enthusiastic abont the so-called "hlne jeans hrigade" of tourists who look but do not buy.

> ‘Many retailers remain convinced that the traditional department store is outmoded and will continue to decline.’

London Tourist Board estimates for this year suggest that while the number of foreign tourists in the capital may be broadly the same st 8.2m, the number of tourists from other parts of the UK is likely to be down from 12m last year to 11.4m this year.

Last year, the department stores' share of retail trade fell to 4.86 per cent of total retail sales, compared with 4.96 per cent in 1978. Total department store sales of £2.355bn last year were about 12 per cent up on 1978—but the rate of growth was below the level of most other sectors of retail trade. The growth in sales for retailing as a whole last year was 14.3 per cent.

This year the performance of the department stores is certain to be much worse, with the possibility of store closures and major mergers and takeovers more than likely.

Earlier this year the Debenhams group, the second largest department store chain, announced a pre-tax profits fall of almost a third to just under £16m.

Sir Anthony Burney, the retiring chairman, told shareholders at the annual meeting last month that he would be "surprised to see things improve substantially before the middle of next year."

Mr. Roy Stephens, chief executive of London's Selfridges, has already made elear that the store "decided to batten down the hatches some tima agn in order to weather the storms ahead."

Many retailers in nther areas as well as observers such as City analysts remain convinced that tha traditional department store is ontmoded and will continna to decline over the 1980s.

Such pessimism, however, is not new. Crities have argued for the past 30 years that department stores are on the way out. A decade ago, the outlook probably looked much gloomier. Many stnres badly needed refurhishing, few groups had a really strong national trading image, and both financial and management controls were weak.

In an era of intensive property speculation, it was no surprise that the prime High Street sites occupied by department stores looked more attractive to shareholders than the retailing prospects of the stores themselves.

But the department stores have fought back strongly in the past 10 years, and invested substantially in store refurbishing and facilities. It would be premature to write off such a major force in the High Street.

Dehenhams, for example, introduced a uniform decor to give a national image to its stores. The House of Fraser increased the range and sales of its own label brands, "Allender," to increase customer loyalty.

Department store managements tightened up their financial controls to make them more competitive with the specialist multiple chains such as Marks and Spencer, British Home Stores, and Tesco. Centralised buying was increased to ensure that the biggest discounts could be obtained from the manufacturer and passed on to customers.

But with the tourist hoom appearing to be over, for the present at least, department stores have been forced to face up to harsher trading conditions. With the rise in transport charges to London, many suburban shoppers hava preferred to shop locally rather than pay a visit to the city.

In provincial centres, the department store bas lost ground to superstores and hypermarkets wblch, althougb offering a small range, usually provide lower prices and the convenience of both food and non-food shopping in one place.

The department store's traditional advantage of offering credit facilities has also been eroded by the widespread availability of credit card schemes in most High Street stores.

> ‘With the rise in transport charges to London, many suburban shoppers have preferred to shop locally.’

In terms of market structure, the department store sector is dominated by a bandful of large groups. The House nf Fraser group, which includes Harrods, is the largest department store operator, fnllnwed by Debenhams.

Together, tbese two groups account for abont 50 per cent of total department store sales. Next in terms of sales comes the John Lewis Partnersbip, followed by Sears Holdings, the UDS group, and Owen Owen.

While the House of Fraser has also bad to ride out its mucb-puhlicised boardroom battles as well as the problems in the High Street, it has been the Debenhams chain that bas reacted most sharply.

It has sold off various parts of its business, such as the Caters fnod chain and the Greens pbotographic shops, but was apparently unable to find a buyer for its Harvey Nicholls store in London's Knightsbridge. BAT Industries, the tobacco giant which bas diversified into retailing, bas long been tipped as a likely suitnr.

The John Lewis Partnership, wbicb is privately owned by its employees, is probably the most successful department store chain at present, hecause of its efficient control systems and strong customer image of offering low prices and good value.

Bot as the economic recession begins to bite, the department stores will continue to hear much of the hrunt of the slump in spending in the High Street.

UK NEWS

Jailed Iranian students face deportation

BY SIMON HENDERSON

FIVE of the Iranian students arrested on August 4 during a demonstration outside the U.S. Embassy in London were given short prison sentences yesterday by magistrates who also recommended that three of them should be deported.

The decision to recommend the deportation was made by Highbury and Marlborough Street magistrates and could indicate that the end is in sight to the problem the detained students have posed for the British Government.

It is now up to the Home Secretary to make the final decision.

Since the arrest of the 72 students during the demonstration on charges including assault and obstructing the police, the incident has been at the focus of relations between Britain and the revolutionary authorities in Tehran.

In Tehran there have been allegations of police maltreatment of the Iranians.

A week of demonstrations outside the British Embassy led to most of its staff being sent back to London last weekend.

The *British Charge d'Affaires* in Tehran, Mr. Arthur Wyatt, was summoned on Saturday by Mr. Sadeq Qotozadeh, the Foreign Minister, and told that the continued detention of the students was affecting relations between the two countries.

Since their arrest, some of the Iranians have been on hunger strike and the proceedings of the magistrates' courts where they have appeared have been hampered by the refusal of most to give their names, other than as Ali or Fatima, two personalities of Iran's Shia Moslem faith.

Apart from the three recommended for deportation yesterday, two others were given short prison terms, one was remanded until today and another discharged. Some of those recommended for deportation had refused to identify themselves.

On the British side, concern is still being expressed for two British missionaries, Mr. and Mrs. John Coleman, the former secretary to the Anglican bishop, Miss Jean Waddell, and Mr. Tony Allaway, a British journalist married to an Iranian, who have been detained under suspicion of spying.

Since their arrests over the two weeks the British Embassy has not been allowed consular access to them despite repeated requests.

Review of housing spending cuts urged

By Michael Cassell

THE ENVIRONMENT Department should re-examine immediately the scale of cuts in housing investment programmes, says the Royal Town Planning Institute.

It has told Mr. Michael Heseltine, Environment Secretary, that this should be done in view of the severity of housing problems and the private sector's expected inability to meet the shortfall in public sector investment.

A 48 per cent reduction—about £2.5bn—in the public sector housing budget is planned in the next four years. By 1984, housing's share of total expenditure will have fallen to about 4 per cent, compared with more than 10 per cent in 1974.

Mr. Heseltine has put great emphasis on the private housing sector's role in offsetting the full impact of budget reductions.

He has declined to make projections about the future rate of housebuilding, because such predictions are meaningless now local authorities have much greater freedom in allocating housing resources.

The institute has told Mr. Heseltine that there is growing dissatisfaction among authorities with the way the housing investment programme operates.

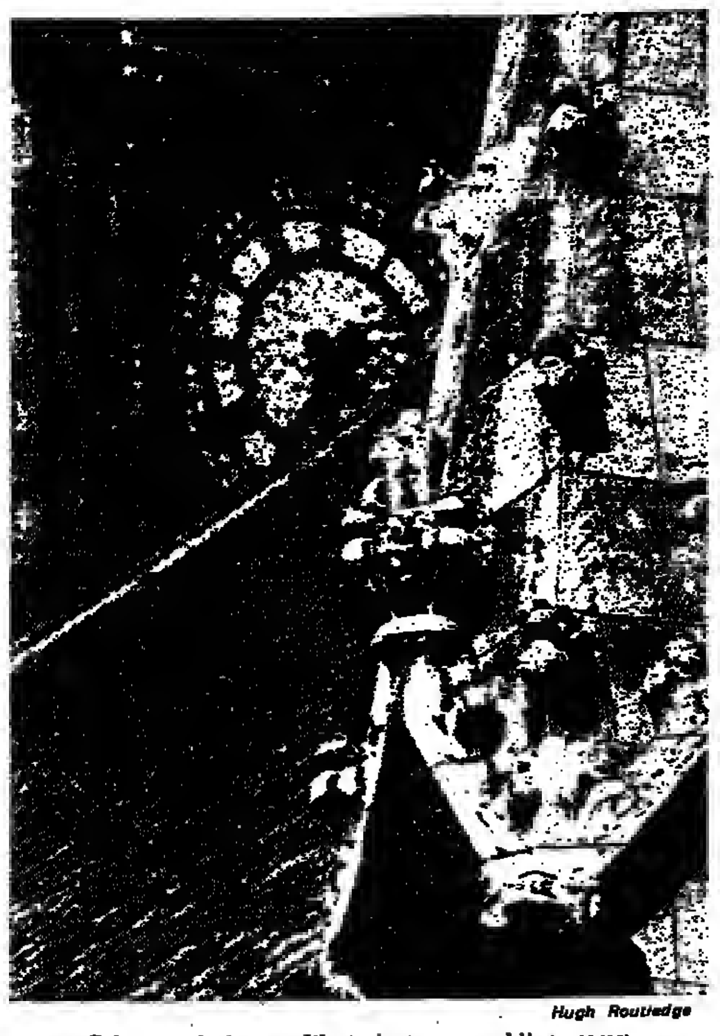
The system was introduced in 1977 to replace fragmented and restrictive arrangements for controlling housing capital expenditure by councils. It is designed to give authorities more freedom within a national policy framework.

But, the institute says, councils regard the mechanism as "an instrument of tight and detailed control." Submissions to central Government represent "a form-filling exercise of little practical value or relevance."

It claims that central Government is aware of the system's inadequacies.

There is poor monitoring of expenditure. It blames the system for a "downward spiral of poor performance, reduced allocations and greater intervention by central Government."

Authorities should be allowed genuine freedom to spend within an overall allocation without detailed restrictions and controls.



Hugh Routledge

Grime and decay: Westminster crumbling away.

'Disaster' threatens Parliament buildings

BY ELINOR GOODMAN

IRREVERSIBLE DAMAGE could be done to the Houses of Parliament unless major repairs are carried out on the structure, a committee of MPs warned yesterday.

Their report, the latest in a series of calls for major conservation and cleaning work at Westminster, urged the Government to carry out a thorough survey of the building before rejecting a £5m programme of comprehensive repairs in favour of a more modest scheme.

At present, the committee claimed, there is a risk of falling masonry and a serious lack of knowledge about the condition of some parts of the Palace.

The committee acknowledged the financial constraints on any government embarking on a complete overhaul of the buildings. But it argued that MPs should be given the opportunity to decide for themselves the scope of repairs necessary.

Three years ago, the former Select Committee on House of Commons Services produced a report arguing that the cleaning up of the Palace was long overdue on conservation grounds.

At the time, the committee believed a three-year programme would have prevented further deterioration and avoided the need for a second programme of refacing.

In its report yesterday, the new Services Committee maintains its view that the ideal solution would be the full programme originally recommended and now estimated to cost £5m.

But in the meantime it welcomed the Government's commitment to carry out some of the urgent repairs recommended in the second report.

Unless this overall programme of repairs and cleaning was commissioned in time, it warned, there could "well be an irretrievable deterioration in the condition of one of the most distinguished and best-loved buildings in the Government's charge—constituting a disaster of major proportion."

Herbert plant sold after NEB aid ends

By Duncan Campbell-Smith

ALFRED HERBERT'S Mackadown Lane plant in Birmingham has been acquired for an undisclosed price by White Consolidated Industries (WCI) of Cleveland, Ohio, and will be renamed "White-BSA *Tools* Ltd."

Completion of the sale agreement, signed in London yesterday, is set for August 26.

Negotiations started in March. Herbert's board announced on June 30 that it was dismantling the company's assets after National Enterprise Board, its 100 per cent owner, refused further financial support.

Herbert has received £43.5m of public funds since its rescue by the NEB in 1975. It lost £15.9m last year.

Mackadown Lane is one of the last two machine tool plants in the Herbert group, which in earlier decades was the flagship of the UK machine tools industry.

The plant has for some time only been breaking even but the U.S. management of WCI has indicated its intention to maintain the present product line.

White Consolidated also plans to add part of its domestic U.S. product line, in particular vertical turret lathes and chucking machines. This is the key to the acquisition, which is the corporation's first deliberate purchase of a manufacturing base outside North America. It hopes to expand its sales within the EEC, using the Herbert plant as a springboard.

White Consolidated reviewed the labour requirements at Mackadown Lane this summer and intends to cut the workforce from 622 to about 550 people.

"We do not expect substantial additional redundancies," said Mr. Ward Smith, the company's president, yesterday.

"Indeed we expect the reverse though it will take time. We hope to have our U.S. line on stream in Birmingham within two years."

More products from an unchanged or smaller workforce is a recipe which WCI has successfully applied to a long series of acquisitions within the U.S.

Mr. Smith said WCI had come to the third position in the U.S. appliance industry and earned it a reputation for tough management and stringent financial controls.

Tape levy 'would hit business users'

By Elaine Williams

THE Business Equipment Trade Association says proposals before the Government for a levy on blank cassette tapes would damage equipment manufacturers because so many business machines now use standard tapes.

The association, which represents the UK business equipment industry, acknowledges that copyright owners need recompense for the pirating of their copyright.

Copyright

But it said yesterday that record companies must find another way of recovering lost revenue.

The record industry has been pressing for such a levy to compensate for the £150m revenue a year it says is lost because people tape their own music.

The levy would impose "a penalty on efficiency and business productivity," the association said. It would be unfair as business users did not infringe copyright.

Concerts

Many of the record companies worst hit, such as EMI, sell blank tapes to recoup some of their losses.

The industry has tried for several years to develop systems which would ruin the recording of any commercial disc or tape. So far such systems have impaired the quality of the original recording.

UK consumers spent more than £40m on blank tapes last year. The market has been growing at a rate of 10 to 15 per cent a year.

Record industry

Britain is the second largest market for tapes in West Europe, behind West Germany.

The record industry also suffers from sales of "bootlegged" albums of recordings made at concerts.

The covers of many of these illegal copies are indistinguishable from the originals.

Many of the albums are produced outside the UK, where copyright restrictions are less effective.

Plessey may lose £400m contract

BY JASON CRISP

PLESSEY is to have more discussions with the Department of Trade to see if the Government can find further ways of helping the company win a £400m electronics contract in Iraq. The company fears it is in danger of losing the contract to the French.

It is a major turnkey project to give Iraq its own electronics industry. It involves the provision of plant and buildings, machinery, parts, education and training, to give the country ability to manufacture electrical and electronic equipment.

Excluding buildings, the contract is worth about £300m spread over four to five years. There is a strong possibility of considerable follow up work.

Plessey, which believes it was, until recently, in a strong position to win the contract fears the French company Thomson CSF will win it. Mr. Peter Marshall, deputy chief executive of Plessey said yesterday: "This particular case is not turning in our favour."

Although the contract is a complicated one, the main sticking point is Iraq's insistence that the company would be "jointly and severally" responsible for the total contract including the work of all the sub-contractors. Arbitration would be under Iraqi law.

Plessey says such an open-ended risk is unacceptable.

Mr. Marshall says Thomson CSF, with less financial resources than Plessey, did not seem to be finding the conditions a hindrance and therefore must be receiving substantial support from the French Government.

Lloyd's settles computer claim

BY JOHN MOORE

LLOYD'S of London underwriters have negotiated a settlement with a Florida computer leasing company under which Lloyd's will pay "several million" dollars in insurance claims. The amount is understood to be under $10m (£4.22m).

Commonwealth Leasing Company of Florida has been seeking payment from Lloyds for over a year on its computer leasing insurances. Computer leasing insurance business is expected to produce total losses of more than £156m, the largest in Lloyds history.

Commonwealth is one of 20 companies attempting to recover on their insurances from Lloyd's. The scheme at Lloyd's protected computer leasing companies against early termination of contracts by customers.

When new IBM models and cheaper leases became available in 1978, almost every customer gave notice of likely cancellation with a view to either changing equipment or renegotiating its lease.

Commonwealth is understood to have been insured for about $200m on its leasing insurance contracts.

'Perfect epitaph' for corset

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE underlying rate of growth of sterling M3, the broadly defined money supply, is unlikely to be much lower than 15 per cent a year, stockbroker W. Greenwell says in its latest monetary bulletin.

The broker says the money figures for the month to mid-July, showing a 5 per cent jump in sterling M3, are the perfect epitaph for the corset controls on the banks.

"They demonstrate that neither the authorities nor outside commentators can have confidence in any estimate of underlying monetary growth. No one can be sure where we are or where we have been, and the uncertainty could well extend into the future."

The broker examines the influences on the money supply in recent months and concludes that the underlying growth rate has been higher than previously thought. For some months the rate has been above the top end of the official 7 to 11 per cent target rate of increase.

W. Greenwell estimates the underlying rate of increase after adjusting for switching back within the measured money supply following the end in mid-June of the corset controls. The latter encouraged the growth of banks' operations in channels outside sterling M3.

The switching back (or re-intermediation) has the effect of artificially boosting sterling M3 without changing the current underlying rate of growth, just as the previous published figures understated the growth rate.

Broker L. Messel has estimated that further unwinding of the corset distortions will boost sterling M3 by about 3 per cent in total in the August and September banking months. This is quite separate from any underlying change in these months.

● Early editions of yesterday's Financial Times wrongly described the post held by Mr. Roger Nightingale. He should have been described as the economics director of stockbroker Hoare Govett.

Racial equality complaint

By James McDonald

MR. DAVID LANE, chairman of the Commission for Racial Equality, has expressed serious concern to Mr. William Whitelaw, the Home Secretary, over a Home Office demand for a £55,000 cut in the Commission's manpower costs in the current financial year.

Even more important, writes Mr. Lane in a letter to the Home Secretary, is an indication of a freeze on the Commission's resources for subsequent years.

The approved manpower costs for the current year, 1980-81, is £2,275,000 to cover a staff of 229 people.

"We wish to protest strongly at this further setback to our work," says Mr. Lane, who claims that the Commission's 1979-80 budget was reduced in real terms by almost £1m.

"It will be still harder for us to do adequately the immense task which Parliament has given us—getting rid of racial discrimination and promoting equality of opportunity and good race relations."

Mr. Lane asks for a meeting with the Home Secretary to discuss the matter.

Improvement in trade balance

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

A MAJOR IMPROVEMENT has occurred on the current account of the UK balance of payments in the last few months. From May to July the account was in surplus by £376m, compared with a deficit of £418m in the previous three months.

The change occurred mainly on the visible account, where there was an improvement of £898m. The return to the normal position of balance in trade in silver after the earlier disruptions, partly associated with the Hunt affair, was mainly responsible for the reduction of some £300m in the deficit in semi-manufactured goods.

There was an improvement of £300m in the surplus on finished manufactured goods.

The underlying trend of export volume remained broadly flat. The main commodity movements were falls in motor-cars and basic materials and a rise in exports of semi-manufactured goods, other than chemicals and precious stones.

By market, the value of sales to the EEC fell a little, while shipments to the rest of Western Europe and to North America were sharply lower. In contrast, sales to the oil-exporting countries and other developing countries increased.

Import volume has fallen steadily this year. The main decline has been in finished manufactured goods, notably cars, and semi-manufactured goods, reflecting lower purchases of silver. By market, arrivals from Europe and North America were sharply down.

The terms of trade—the ratio of export to import prices—rose by 2 per cent in the May-to-July period compared with the previous three months. Import prices were unchanged, but export prices rose by 2 per cent.

BALANCE OF TRADE

		Exports £m seasonally adjusted	Imports £m seasonally adjusted	Exports Volume seasonally adjusted 1975=100	Imports Volume seasonally adjusted 1975=100	Terms of trade *Unadjusted 1975=100	Oil balance £m
1978	1st	8,390	9,023	120.1	113.6	105.0	−625
	2nd	8,676	8,862	121.0	109.1	104.5	−419
	3rd	8,933	9,401	122.5	115.0	106.1	−497
	4th	9,072	9,278	122.5	112.9	106.5	−458
1979	1st	8,373	9,961	109.0	116.9	107.0	−235
	2nd	10,658	11,114	135.3	128.9	106.4	−229
	3rd	10,641	11,134	129.8	128.1	106.8	−158
	4th	11,017	11,762	129.3	128.9	103.7	−157
1980	1st	11,832	12,555	131.3	126.5	100.7	−126
	2nd	11,868	12,167	129.2	124.8	102.4	+ 19
	April	3,885	4,149	127.2	127.6	101.8	+ 44
	May	3,973	3,991	130.2	121.4	102.0	− 10
	June	4,010	4,027	130.3	125.3	103.4	− 15
	July	4,032	3,771	129.8	118.5	103.8	+102

* Ratio of export prices to import prices

Source: Department of Trade

Sunderland yard wins £10m order

By Our Shipping Correspondent

SUNDERLAND Shipbuilders has won a third order for a £31,000 dwt bulk carrier from a little known British shipping company, Nosira Shipping. The order is worth £10m.

Nosira Shipping is a member of the Arison group of companies of Miami, Florida, which is headed by Mr. Ted Arison. He also controls Carnival Cruise Lines, which operates seven-day cruises with three passenger ships out of Miami.

A 1,400 passenger ship, the Tropicale, is under construction in Denmark.

Nosira Shipping was formed late last year in Britain. The three new bulk carriers, which are on order at Sunderland Shipbuilders, will fly the British flag and be operated by Bolton Maritime Management.

Mr. Charles Seifreid, Nosira's managing director, said yesterday, that his company had looked around the world for its ships but in the end had come to Britain.

"We could have got better prices and better credit facilities elsewhere but we were impressed by what we saw at Sunderland Shipbuilders."

Chubb's new cash registers remain empty

Chubb's ill-starred venture into a new market may soon come to an end, reports Jason Crisp

FOUR YEARS ago Chubb, the safe and lock manufacturer, bought Gross, the ailing cash register company, for £1.1m, which looked at the time something of a bargain. Since then it has cost Chubb dear—operating losses in the last year alone amounted to £4.7m—and the subsidiary is now a great deal sicker.

Indeed, Chubb has clearly warned that its cash register subsidiary may well be a terminal case and Lord Hayter, chairman of the parent company, told shareholders at the annual general meeting last week that the situation was under "constant review."

When Chubb first looked at Gross in 1976 it saw a company with more than 20 per cent of the UK market for cash registers which had just introduced its first electronic machine, but which was suffering, according to Mr. William Randall, managing director of Chubb, from "management and money problems."

It also suffered, less obviously, from a serious product problem which has been the main reason its market share has tumbled to around 5 per cent. Mr. Randall says that no longer after Chubb bought Gross, it found that its new electronic cash register did not work.

One competitor describes Gross's attempt to produce an electronic cash register, with an old-style mechanical keyboard and black and white display, as a bit like "building a motor car with saddle and stirrups."

Ten years ago there were six big suppliers of cash registers including Gross, NCR, the market leader, and Sweda. Today there are nearer 40 competitors, including computer manufacturers IBM and ICL at the top of the range, and Japanese companies like Casio and Sharp selling low-cost products. The cheapest products are little more than a calculator mounted on a tin box.

The whole market has changed radically in the past decade with the introduction of electronics which have both reduced manufacturing costs and resulted in vastly more sophisticated products, making the old cash till into a sophisticated management tool with a detailed break-down of products sold.

Gross, the only British manufacturer, set about developing its own electronic system, while other manufacturers, largely, went to Japan for cheap machines or the U.S. or Western Europe for the more sophisticated ones aimed at a world market.

Chubb found itself trying to sell electro-mechanical products whose cost was constantly rising, against electronic machines whose basic costs were falling and which anyway could offer more facilities.

Chubb's electronics division was given the task of developing a much-needed electronic cash register for Chubb.

But the development hit a number of snags. It was supposed to be launched last September but did not appear until January. According to Mr. Randall, this was because the new machine had been designed using a 64K RAM micro-chip which was not available in time.

This appears to indicate remarkable optimism on the part of Chubb, as many semi-conductor manufacturers have promised a 64K RAM but only one is believed to be producing them commercially and only in limited quantities even now. Chubb had to redesign it using simpler chips.

Chubb's new electronic cash register is at the low end of the market, offering the modest options of one, four or eight totals. This is where the volume market is, and also where the fiercest competition from Japanese competitors is.

Mr. Randall remains convinced that Chubb's only opportunity is to come in at the bottom of the market and rebuild the volume base it had before. He remains committed to a nationwide sales and service network, whatever happens to the main part of the company.

With little room left in the market for old-style electro-mechanical cash registers, and its new electronic machine failing to take the market share Chubb had hoped for, the outlook is uncertain for its cash register business.

A decision on the future of the cash register subsidiary is expected in the next few weeks. One option would be to slim down the manufacturing operation to a bare minimum, involving substantial redundancies which would meet strong union opposition.

Another would be some link-up with a Japanese manufacturer who would help Chubb overcome the deficiencies in its product range, through either direct importing or assembly in the UK. The advantage Chubb could offer would be its sales and service network, seen by some of its competitors as an expensive overhead.

The Observer prepares to lift dismissal notices

BY PAULINE CLARK, LABOUR STAFF

THE MANAGEMENT of tha Observer said yesterday that procedures were in band to withdraw dismissal notices to its 1,000 employees, following acceptance of a pay offer by machine managers in tha National Graphical Association.

Leaders of about 200 machine assistants and other operative grades in the NATSOPA print union chapel (office branch) of the newspapers have made clear that the threat of closure must be lifted before their own separate pay negotiations can go ahead.

Agreement on terms for increasing the size of the paper to between 56 and 64 pages in a singla Saturday night production ru nhas also to be reached with staff in the Society of Graphical and Allied Trades and other smaller print union chapels before the Observer management can be seen to have finally overcome the problems that have brought it to the brink of closure.

Both NATSOPA and SOGAT have openly put pressure on the NGA in recent weeks to end the machine managers' pay dispute. which led last mouth to the issue of dismissal notices and the threat of closure on October 19.

Mr. John Mitchell, London machine branch secretary of NATSOPA, said yesterday that once dismissal notices were lifted he was hopeful negotiations could go abeed smoothly.

"The major hurdle has been overcome with the decision of the machine managers, and I do not foresee undue difficulties ahead," he said. The management had already indicated its willingness to begin negotiations with NATSOPA.

Mr. Mitchell did not give details of a specific claim, but said machine assistants and the related NATSOPA grades on Fleet Street newspapers traditionally expected to earn 87½ per cent of machine managers' pay. The Observer grades were now receiving between £60 and £70 for the Saturday night shift.

The 25-strong machine managers' NGA chapel on the paper last weekend decided to obey an instruction from their national union leaders to accept the management's offer of an extra £3.25 for a 56-page edition, and another £3.25 for a 64-page edition. Their pay is now £93.63 for the 48-page paper.

The management has been under pressure from Atlantic Richfield, the American owners, to bring tha paper into profit. In the prolonged dispute with the NGA machine managers, it emphasised that it could not improve on the original pay offer because the paper coold not bear the cost of leapfrogging claims from other printers' chapels.

● The Times management yesterday said it would make its response today or tomorrow to the independent arbiration recommendation that the newspaper'a journalists should receive pay rises averaging 21 per cent.

The paper's journalists will be recommended by their union negotiators at a meeting, probably later this week, to stop work unless management is prepared to implement the recommendations.

The management said it was studying the arbitrators' findings—which are not binding—in the light of their implications for the company.

Talbot men at Ryton accept 15%

By Our Labour Staff

TALBOT WORKERS at Ryton, Coventry, voted yesterday to accept the company's 15 per cent pay offer which received the becking last week of union officials who had dropped their claim for an increase of 20 to 25 per cent.

The proposals accepted by a high proportion of the 2,000 car workers who attended a meeting at the plant, extend over 18 months, and would mean an 8 per cent rise from July 1, followed by 7 per cent from April 1 next year. This amounts to an extra £13.04 a week for production workers, increasing their weekly wages to £96.84.

However, the company, owned by BSA Peugeot-Citroen of France, was still awaiting the decisions of 3,000 workers at Stoke, near Coventry, and of 4,000 at Linwood, near Glasgow.

Although the decision of union officials to recommend acceptance of the 15 per cent offer came shortly after the announcement last week that 11,500 workers were to go on short time, this was not regarded as a major factor in their decision.

At that time talks had reached an advanced stage, and only minor points were causing a delay in reaching agreement, although the union leaders involved voted by only a narrow majority to accept.

Two TUC moderates back Poles

BY CHRISTIAN TYLER, LABOUR EDITOR

SUPPORT for the Polish strikers and the "free" trade union movement in the country was voiced by two prominent TUC moderetes yesterday.

But a move to postpone a forthcoming TUC visit to Poland was narrowly defeated et a meeting of its "inner cabinet" —the financeand general purposes committee.

The idea was put forward by Mr. Tom Jackson of the Union of Communicatioo Workers and past president of the TUC.

He was vigorously supported by Mr. Frank Chapple, of the electricians, a noted campaigner ou bebalf of dissidents in Communist countries.

Mr. Chapple said the committee should declare its support for the Polish workers and their demand.

This too, was turned down, apparently on procedural grounds.

Mr. Len Murray, general-secretary, said thet it was more appropriate for individual unions to submit emergency motions for the annnal Trades Union Congress which begins in two weeks. The general council could then consider the issue.

Tha main business yesterday was to consider what to do about the two unions—the engineers an dthe electricians—which beve bualked at the TUC formula for settling the Isle of Grain power station dispute about thermal installation engineers, or laggers.

As expected, the committee came up with a recommendation for tomorrow's TUC general council meeting that would defer any decision to suspend or expel the two unions for disobedience.

It seemed likely that tha council would be asked to give the unions more time to settle the issua peacefully and report back after the congress.

The TUC, wbich already faces a row involving the aame unions about whether thay should accept Government money for trade union ballots, is not anxious to see this inter-union argument highlighted further at a congress whose main purpose is to register united opposition to Government policies.

The Isle of Grain row is between the General and Municipal Workers' Union, wbose members normally do the lagging work, and the unions which have supplied replacement labour to prevent the whole operation being shut.

Cotton mill closures have cost 13,000 jobs

BY OUR LABOUR STAFF

MILL CLOSURES in Lancashire bave cost 13,000 jobs in the past year, including 2,760 in June alone.

Jobs are still being lost and It seems likely that employment in the cotton sector, at present 55,200, may be below 50,000 before the end of the year.

Tha rate of decline means that job losses in the past year, though spread through a number of Laocashire towns, are already dnuble those at Shotton steelworks, Britain's biggest-ever single industrial closure.

Outpot in spinning and weaviog fell again in June, say figures by the Textiles Statistics Bureau, Manchester. It is down by almost a fifth on a year ago. New orders for yarn are "very small," with more yarn exports against last year the only bright spot.

In West Yorkshire Mr. Barry Spencer, president of the Confederation of British Wool Textiles, said yesterday that the industry was near the end of the line.

He wrote in the trade paper Wool Record that the industry could not afford higher prices for any raw materials because market conditions prevented it from recouping them. Government policies, though intended to ease inflation, added extra short-term burdens.

The industry was exposed to unfair trading practices by overseas competitors, which the Government chose to ignore.

Ha criticised in particular imports of clothing from Eastern Europe, which he said arrived at wholly uneconomic prices set in accordance with political considerations.

Goods were also being shipped quota-free from East to West Germany, and after further processing legally exported to the UK under the free circulation provisions of the EEC.

While Belgium proposed to spend \$2bn (£850m) on a textile and apparel industry restructuring plan, Minister in Britain offered little evidence of wishing to sea a viable UK ndustry survive.

Separate figures yesterday by te wool textile industry sbowed that exports in the first six months at £215.5m were £6.3m up on the same period last year. Value of cloth exports is down on last year.

● More than 500 workers have been put on short time by the Delta group of factories in the West Midlands, making a total of nearly 2,000 in recent months.

The engineering company employs about 12,000 people in the West Midlands.

In the past year it bas made about 10 per cent of its work force throughout the country redundant.

Tea break talks falter

MORE than 300 drivers and condnetors employed by the Northampton - based United Counties Bus Company are ready to take industrial action over lost tea breaks.

The workers have already accepted a four-hour cut in overtime to help the company, which is losing £1m a year.

But they say management has broken an agreement in setting up new rotas to begin on August 31.

Talks broke down yesterday, although another meeting is arranged for tomorrow.

Mr. Eric Stock, Transport and General Workers' Union branch secretary, said: "The new schedules mean the loss of paid refreshment breaks and turn-round time, which we say are part of an overall agreement signed 10 years ago.

"If nothing is settled, industrial action is a distinct possibility."

Ind Coope plant halted

PRODUCTION at the Ind Coope's Burton on Trent brewery was halted yesterday when abont 2,100 workers failed to attend work following a dispute over 120 voluntary redundancies demanded by the company.

When members of the Transport and General Workers' Union said they were taking industrial action, in selected areas, Ind Coope said: "As this would have brought the brewery to a standstill we have no alternative but to stop the pay of those taking the action and possibly also of those who were unable to work normally.

"This is not a lockont—all the gates are open to any employee willing to work normally. The present situation is making more grave the company's economic situation and trading position." If the dispute continned, pubs would probably run out of beer in three days time.

APPOINTMENTS

Senior posts in C. T. Bowring group

Mr. J. McL. Griffith has been appointed chief executive of the marine reinsurance division of C. T. BOWRING AND CO. (INSURANCE). Mr. G. H. C. Wakefield becomes chief executive of the North American reinsurance division of C. T. Bowring and Co. (Insurance). Mr. R. F. Bailey has been made chief non marine underwriter of Aurora Underwriters which underwrites for a group of companies including Terra Nova Insurance Company.

★

Mr. Michiya Matsukawa former Japanese Vice Minister, international finance and former special advisor to tha Minister of Finance, has joined THE NIKKO SECURITIES COMPANY, Tokyo, as senior advisor to the president and joined The Nikko Research Centre as a board member.

★

Mr. John Griffiths has been appointed financial director of FLUIDRIVE ENGINEERING COMPANY, Bracknell (part of Associated Engineering). He joins from Muir-Hill, where be was general manager.

★

Mr. Roger Howson has been appointed to the new post of chief executive of the MILLER BUCKLEY group. He will be responsible for all UK activities. His post as managing director of Miller Bucklay Group Services has been taken by Mr. Peter Ayton. Mr. John Perks has been appointed non-executive director of Miller Buckley Plant. He is managing director of an associate company, DIVIDAG STRESSED CONCRETE.

★

Marshal of the Royal Air Force Sir Denis Spotswood, will join SMITHS INDUSTRIES on September 1, as chairman of Smiths Industries international aerospace companies.

★

Mr. Michael David Watts has been appointed group financial controller of G. E. WALLIS AND SONS, Bromley.

★

Mr. Gerald Topiol has bean appointed managing director of WEN PRODUCTS.

★

Mr. J. L. G. Saracine has been appointed deputy managing director of ALLIED CARPET STORES.

★

Mr. Garey Toomey has been appointed to the BORG-WARNER transmission division board as controller and divisional director. He succeeds Mr. Tom Busby, who is taking a post outside the company.

★

SCOTTISH EQUITABLE LIFE ASSURANCE SOCIETY has made the following appointments: Mr. D. M. Andrew to be branch manager, Sheffield; Mr. R. W. Robinson to be branch manager, London West End; Mr. R. E. W. Prichard to be branch manager, Maidstone; Mr. C. W. Anderton to be assistant to marketing manager; Mr. C. F. Macdonald, to be local manager Reading from September 1.

★

Mr. J. N. Clarke, Mr. R. W. Pain and Mr. J. G. Richardson have resigned as directors of SELECTION TRUST.

★

SNAMPROGETTI has appointed Lord Robens of Woldingham as chairman in succession to Sir Charles Forte.

★

Mr. John Crossan has been appointed managing director of ACROW (ENGINEERS). He was previously managing director of Blackwood Hodge, France.

Mr. John Crossan

Mr. Colin Silvester, presently docks engineer at the BRITISH TRANSPORT DOCKS BOARD'S Merseyside port of Garston, has been appointed assistant docks manager at the Humber port of Goole at the end of September. He succeeds Mr. A. Ray Klinck who becomes docks manager in Lowestoft.

★

Mr. Malcolm Thomas has been appointad vice-chairman of SMURFIT and chairman of Smurfit/SCA, the holding company for its corrugated container interests in the UK and Ireland. Mr. Thomas was a main Board director of Reed International.

★

Mr. Nigel Turnbull has been appointed a director of NOBLE GROSSART. He joined Noble Grossart in February, 1980, and was previously a director of Lloyds and Scottish Finance.

★

BROOKES HOTELS (a subsidiary of Kennedy Brookes) has appointed Mr. Tom Blumenau, Mr. Jim Daly and Mr. Tim Yeo as directors.

MANAGEMENT

EDITED BY CHRISTOPHER LORENZ

Brazil cottons on to the denim revolution

In the final article on jeans makers, Rik Turner puts the spotlight on a major exporter and designer label

YOU ARE invited to a party on condition you remove your trousers. Depending on your inclinations, your reaction is one of eager anticipation or horrified disgust.

Fifty young high-society couples in Sao Paulo had no hesitation when offered such an invitation earlier this year — especially since they were offered a free pair of Pierre Cardin jeans in exchange for whatever brand they were wearing. On the other hand, a further 150 couples failed to overcome their scruples, or for some other reason declined the invitation.

The purpose of Cardin's stunt was to get the jeans seen around the right places ahead of their official launch at the beginning of July. Such a move is typical of Cardin's gradual and well-planned entry into Brazil and other Latin American markets, where a sizeable potential market is only now coming into existence in the wake of economic growth.

Cardin's traditional markets have always been Europe, Japan and the U.S., each responsible for a turnover of U.S.$400m last year. Alongside these figures, the total Latin American turnover of $10-12m (90 per cent of it in Brazil) is small indeed.

But, as with a mass of European and U.S. companies, Brazil represents a major potential market for Cardin. It is only now that it is moving into jeans in Brazil, though it has been increasingly active in the country since 1968, with an ever-widening list of products, ranging from suits to sunglasses.

The roots of the Brazilian operation lie in a visit by the French designer himself to open a textile trade fair in 1968. By coincidence he met Andre Chamouton, now his Brazilian director. Out of the meeting came the idea of introducing the Pierre Cardin name into Brazil, with licences being sold to local manufacturers under the auspices of a company set up by Chamouton, without a Cardin stake, called Difusao Pierre Cardin e Companhia.

Licensing has always played a key role in Cardin's international expansion, and it now claims 500 licencees worldwide.

Although he is French, Chamouton has been in Brazil for over 30 years, and his knowledge of the local market and his experience of running the licensing company made him the natural choice for director when Cardin's own subsidiary, Pierre Cardin e Cia, was set up in 1978.

The market for mass-produced jeans for Brazil's growing middle class is already well developed: suppliers include local companies such as Alpargatas (see right) and the Brazilian subsidiaries of Lee, Levi Strauss and others. But the so-called "designer's jeans" market is still largely unexplored, says Chamouton. "There is an evident demand which is presently being met by other class jeans such as Fiorucci (the Italian designer who for two years has been putting his label on jeans in Brazil) and in part by jeans from abroad."

About 100,000 pairs of Cardin jeans will be manufactured in Brazil in 1980, but Chamouton says the operation may begin exporting to Argentina, Chile and Uruguay as early as next year. This would be yet another example of foreign companies using Brazil, by far the biggest market on the continent by virtue of size of population and purchasing power, as a production base for a Latin American operation.

Although the market for jeans continues to grow, competition is fierce. Blue Bell, which makes the Wrangler label, has just reported a sharp drop in margins, which is in line with other manufacturers like Levi Strauss, the market leader

Cardin's Latin American range may soon be widened still further. According to Edouard Saint Bris, Cardin's international licensing director, the company is already considering moving into land, cattle and tourism. In the latter, there are obvious links to be exploited, as Chamouton explains. "We can invest in a hotel, which can then use bathroom towels or bedclothes exclusively designed by Cardin for the establishment.

Other design areas where the company is active elsewhere in the world, and which could be brought into Brazil, include furniture and kitchen design. "In Japan, for instance, a total of 56 Pierre Cardin products are licensed, more even than in the U.S.," says Chamouton.

"Although Europe as a whole is responsible for an annual turnover of $400m, on a country-to-country basis Brazil is already buying more Pierre Cardin products than several European countries, including Great Britain, Germany and Italy," says Chamouton.

THIRTY YEARS ago, if a Brazilian wanted some jeans, he would have had to pay an exorbitant price for a pair that would have been smuggled into the country from the United States. Today his purchase would probably be made locally by a manufacturer which, according to independent market sources, ranks fifth in the world in terms of production.

The company is Alpargatas, which introduced jeans into Brazil at the end of the Second World War. It is less well known than other major jeans manufacturers like Levi Strauss and Wrangler because it is not heavily advertised; it produces non-brand articles as well as those under its trademark US Top.

Its managing director is David Reeves, a first generation Brazilian of expatriate British parents. His father emigrated to take up a job in the insurance field "in the days when all expertise still had to be imported." Reeves, who speaks fluent Portuguese, has spent all his working life with Brazilian companies—29 with Alpargatas.

He joined as an engineer and spent 15 years on the manufacturing side. When the company was divisionalised he was put in charge of the footwear activities and then latterly the manufactured textile goods division where he held the job of operations director. He took over his current responsibilities as group managing director in April.

Alpargatas's management includes several other English-sounding names. This is explained by the company's origins when it was controlled by an Argentine company, Alpargatas Sociedade Anonima Industrial y Commercial, which in turn was founded by Frasers, a machine manufacturer of Arbroath in Scotland. Frasers, which naturally had a number of Anglo-Argentines on its staff, acquired the Brazilian company in the 1930s. Then, it was an ailing textiles concern controlled by British capital and run largely by the local British bank.

Frasers eventually pulled out of both the Argentine and Brazil, leaving the former with control of the operation. Since then the child has outgrown the mother.

"When I joined the company only day-to-day decisions were taken in São Paulo, while major investment decisions were taken in Buenos Aires," says Reeves. "But the Brazilian company, like the Brazilian economy, grew faster than the Argentine's, particularly in the late 1960s and early 1970s."

Today the company has 18 factories, half of them built in the last five years. Employees total 24,000 people.

Since 1975 income has risen from 1.38bn cruzeiros (£10.9m) to 8.99bn cruzeiros (£70.8m) and net profit from 236m cruzeiros (£1.86m) to 892m cruzeiros (£7m). Exports now represent about a tenth of sales.

Alpargatas does business in several European countries including Britain, West Germany and Italy, but exports are restricted by quotas imposed to protect local industry.

The total Brazilian jeans quota into Britain is 232,000 units, of which about half is made up by Alpargatas. In West Germany, where the quota is at least double Britain's, the volume of sales has been sufficient to warrant TV advertising and the creation of a local subsidiary called Valdur.

Apart from the obvious volume of business all companies look for in exports, Reeves says that jeans exports have brought other benefits. "We have to bring production up to European standards in order to compete and we have also seen benefits in terms of technology."

Funding: striking the right balance

BY ERIC SHORT

ALTHOUGH company pension schemes have become well established in the UK as a main source of income for employees when they retire, employers still face the perennial problem of the cost of providing such pensions and how to meet it.

Under a company pension scheme, the employer promises to pay pensions to employees when they retire, based on their length of service and salary at or near retirement. Thus each financial year, the employer incurs a pension liability in respect of the service of employees during that year. How does he cover that liability?

He can simply pay the pensions as they fall due in exactly the same manner as paying salaries to the current workforce—a system known as Pay-As-You-Go. This system is used to finance State pensions in the UK and in many Continental countries for company pensions. It depends on the employer remaining in business to pay pensions.

In the UK, however, the vast majority of company pensions schemes have relied on funding in advance to meet their liabilities. The company sets aside money to meet the future liabilities incurred during the financial year. Under this system the payment of the pension does not depend on the company being in existence when the pension becomes payable. Pension liabilities to date are secure under this system.

In the UK, pension scheme funding goes even further in that investment is generally made in a fund completely separate from the parent company, though there is some element of what is known as self-investment back into parent companies.

This is in complete contrast to the method adopted in Germany, where company pension are entirely invested back into the parent company, with an internal balance sheet provision being made for pension fund liabilities in the company accounts. This means that part of the company's assets is specifically earmarked to cover pensions.

In the UK, however, pension schemes are kept completely separate from the company's activities to ensure security of the pensions earned to date. So if the parent company is wound up, pensions are still secure. It would appear that the German employee has more confidence in the future of his company than his British counterpart.

The recently published report of the Wilson Committee endorsed the advanced funding of company pension schemes, although it did point out that the alternative systems operated in other countries did have their merits. But funding in advance is probably too strongly entrenched in the UK for a change to be made easily.

Having accepted that company pension schemes are funded in advance, the employer has to decide how much to pay each year. And here he has almost complete freedom of choice. There is very little legal requirement in the UK for a minimum rate of funding. Company schemes that provide benefits on top of the State scheme have no restrictions whatever. Those funds offering an alternative to the State scheme—the majority of funds—have relatively lax legal requirements.

The Superannuation Funds Office of the Inland Revenue, which supervises company pension schemes, is concerned only that there is no overfunding—meaning that a company does not pay excessive amounts into the pension scheme in an attempt to avoid tax.

But although there is no legal requirement for a minimum funding rate, as in the U.S., or for the pension scheme to be solvent, most employers, nevertheless, wish to pay sufficient into the scheme to ensure that the pension obligations can be met. And this gives rise to the next problem—no one can put a precise value on those liabilities.

Mortality

In ascertaining such liabilities, one needs to know not only present salary levels and investment returns, but the future progression of salaries and prices and the future investment returns on assets. If this is not enough, one also needs to know how many employees will leave the company before reaching retirement, how many will be taken on: and the mortality of employees and pensioners.

Calculating pension liabilities under such circumstances has always been the province of the actuary, with his mythical crystal ball. Although he is not the only person who can estimate future rates of investment and inflation, he is the only professional who can combine these factors to ascertain the financial situation.

Even then, the actuary can only make what he considers is a best estimate of the cost of the pension liabilities based on certain assumptions for future inflation, investment returns and so on. It is more realistic for him to produce a range of estimates giving a spread of funding rates that in his opinion would be acceptable. The overall aim is to produce a stable rate that does not need frequent changing.

So back to the question of how much should the employer pay into his company pension scheme. The more he pays in then the more secure is the fund in meeting its obligations. But money paid into the pension fund is lost to the company and in these days of economic recession, the employer should not pay so much into the pension fund that he jeopardises the existence of his business.

A balance has to be struck and the range of acceptable funding rates gives employers flexibility in paying pension contributions. It should form part of the company's overall financial strategy, yet this flexibility is used all too infrequently.

For example, if a company is undergoing a period of expansion, with heavy investment in plant and buildings, then the pension schemes contributions could be held at a lower level providing it is understood that the level will have to be lifted later when the benefits of expansion come through. The actuary should be involved in financial planning, since only he can provide costings of pension scheme funding.

It is here that the company's auditor is becoming increasingly involved. In its evidence to the Wilson Committee, the Consultative Committee of Accountancy Bodies argued for adequate funding for the public service schemes. If the CCAB takes this line with schemes that are effectively underwritten by the taxpayer or the ratepayer, then it must hold even stronger views on funding for company schemes.

Such a tough stance would mean that where a company was paying inadequate pension scheme contributions, there should be a note in the company accounts to this effect, indicating that higher contributions would be needed at some future date. It would be a major advance in company reporting if companies showed separately in their accounts how much was being paid into the pension scheme.

The attitude of accountants does not represent a conflict between their profession and the actuarial profession, as some commentators have indicated. Rather it represents a growing realisation of the roles of each profession and the need for an interchange of information in producing company accounts. The two professions are talking to each other at present and guidelines could be published sometime in the future.

Technical News

EDITED BY ARTHUR BENNETT AND ALAN CANE

● COMPUTERS

Three new machines to be launched

THE British subsidiary of General Automation is stealing a march on its U.S. parent by planning to launch three new computers — all designed and manufactured in the UK.

GA (UK) is one of the few bright spots in a troubled year for GA which was showing a loss worldwide of U.S.$9m at the nine month mark at a time when most computer companies were showing good profits.

The British company made a profit last year of about £0.5m on a turnover of £4m.

The new machines will be a micro, a mini and a supermini and it is expected they will be aimed at the commercial marketplace as GA attempts to move away from its image of involvement purely in automation and control.

Rationale behind the UK launches seems to be the European success of GA's previous commercial offering, the "Mini-Tom," and its failure in the U.S. British machines, designed at GA's Burgess Hill, Sussex, factory, will be aimed purely at the European commercial market. The micro, for example, will have compilers for Basic plus and Cobol, the most commonly used commercial languages.

GA (Slough 72331) is one of the few approved suppliers—Burroughs and ICL are the others—of interface devices for the world-wide banking network Swift. It already makes Swift interface devices (Sids) and microsids. Now it is planning a minimicrosid, basically a screen which doubles as a telex machine but which uses the Swift protocols. The idea is that a small branch which could not even make use of the microsid can use the minimicrosid as a telex machine while gaining experience of Sid procedures against the day it links into the banking network.

In its traditional field of automation and control, GA is supplying minicomputers to control bubble memory, chips which are being used in the latest generation of telex switching systems being built by Plessey.

Bubble memories retain information in the form of microscopic magnetic areas and hold the information even if the power supply is interrupted. They are being used in the telex exchanges for the storage of program tables which means the exchanges can be started up from cold completely automatically.

● RECYCLING

Recovery of solvents

EXPANSION of its facilities in East London for the recovery of solvents is being undertaken by Waste Reclamation. Eventual output of recovered solvent will be 2.5m litres a year.

The company has designed its own plant in which distillation is carried out by indirect steam heating—steam is never in contact with the solvent and fouling of heat transfer surfaces is prevented by automatic wipers.

Motor vehicle manufacturers are among the company's main customers and for these large quantities of dirty cellulose thinners are treated. For other industries, acetone, methanol, iso-propanol, white spirit, trichloroethane and trichloroethylene are recovered.

Yields between 90 and 98 per cent of a solvent present in a waste product are achieved, claims the company, and it adds that the quality is indistinguishable from virgin material.

Waste is received at the company's plant at 22, Marshgate Lane, Stratford, London E15, in drums, or it is delivered by road tanker if large quantities are involved.

Future plans envisage installation of facilities for fractional distillation for the separation of solvent mixtures or the purification of solvents contaminated with water. Planned output is 2m litres of pure solvents annually.

Full details of this recently established service can be obtained from Waste Reclamation at Stalco Works, Livingstone Road, Stratford, London E15 (01-555 5411).

● HANDLING

Keeps it all rolling along

A BOOSTER for conveyor systems which use gravity to provide transporting power has been developed by a High Wycombe specialist engineering company.

Called "Robolift," the booster restores the head lost in the gravity run so making it possible for such conveyor systems to run indefinitely.

The booster is manufactured by Special Purpose Machinery (SPM) which has spent several years in the development of the product.

Essentially gravity powered conveyor systems depend on a difference in height between the start of the run and the end—generally about half an inch for each foot of travel. Of course, after about 20 feet such systems tend to run out of gravity and so long conveyors are usually powered.

The SPM system involves pneumatically powered lifts every 20 feet or so which restore the goods in transit to a height at which use can again be made of gravity.

Variations on the basic module make possible 90 degree and 180 degree turns, sorting divertors, separators and vertical elevators.

The units switch on when a package arrives, and switch off after it moves on to the next unit.

They can be stacked up to provide substantial lifting power. According to SPM, only a small bore air line is required because it claims: "consumption is minimal."

Mr. Roger Palmer, a design manager with SPM, reckoned that the company would be making 60 "Robolifts" a month, in anticipation of the expected demand. The individual modules cost about £700. The triple units designed to lift packages weighing up to 50 kilos substantial distances cost around £2,000. SPM is on 0494 444336.

● INSTRUMENTS

Analyses images of specimens

PICTURES WHICH have originated from optical sources such as photographs and microscopes or from scanning electron microscopes can be analysed on an area-selective basis by the Omnicon Feature Analysis System II available from Reichert-Jung UK, 820 Yeovil Road, Slough SL1 4JB (Slough 76464).

The television display works in conjunction commands and specifications entered by the operator on the keyboard: the process is interactive and the system responds with suitable messages. Generally, to produce a particular format or measurement only a few keystrokes are necessary.

An image of the specimen, the result of an analysis and a variety of alpha-numeric data appear on the screen. The specific area to be analysed is indicated by a frame the position and size of which can be varied by the operator. Within that field it is possible to perform counts, sizings, etc. of any or all of the features in the image.

Data can be accumulated over any number of fields and the results can be displayed as statistical summaries, lists of individual values, bar graph distributions, area, perimeter, length, position counts, and derived measurements.

The flexibility and power of the equipment make it suitable for any application where high speed analysis of images can reduce costs, improve quality or increase production.

● SECURITY

Forgery made more difficult

PEOPLE attempting to forge or alter the various kinds of plastic identity and credit card now widely used, or market "cowboy" records, cassettes or spare parts, can be quite cheaply discouraged using a process from 3M which has been successfully applied to over 60m items in the U.S. and is now to become available in the UK.

Cards, products or documents are covered or labelled with a thin translucent film called Confirm Security Film into which a unique watermark pattern can be built by 3M, invisible under normal diffuse lighting but standing out clearly when illuminated by a torch beam. The effect is similar to that of a modern car number plate seen in the headlamp beam.

Thus, any attempt to alter the document by writing on top of the film, or cut pieces out and insert others will become obvious when direct illumination is applied. Normally, the original surface printed material disappears in the direct light and only the watermark is seen. Thus, topside additions will remain visible and if cutting-in has been attempted, the watermark will not match on the cuts.

In the case of products such as records, the forged cover will simply not show the watermarks in direct lighting.

Clearly, the watermarked film has to be manufactured under secure conditions and then similarly delivered to the manufacturer of the goods. After that, it is the manufacturer's task to see that none of it goes astray. Film will be delivered in rolls and is available for heat lamination or for pressure sensitive application to items such as motor car spare parts.

The film has been used in four States in the U.S. to overcome the fraudulent use of driving licences which are widely used, as in the UK, as identification when cashing cheques and making purchases. It is also being used to protect vehicle registration documents, while Ford and General Motors are developing uses for vehicle protection.

According to 3M, it is virtually impossible to duplicate or simulate the technology. It is produced under banknote security conditions and has been cleared for some high level U.S. Government uses still classified as secret.

Durability of the film (which is extremely thin and barely noticeable) is said to be good: an eight-year trial has been in progress on Californian driving licences with no problems and in general it is felt the film will outlive the substrate. The film cannot be peeled off claims 3M. The company is talking to its first potential customers (undisclosed) in the UK and in Australia the product is in use for passports.

Cost, says 3M, is likely to vary depending upon the application, but will probably be in excess of 1p per square inch.

More from Mr. D. P. Grant, 3M United Kingdom, Bracknell, Berkshire, RG12 1JU (0344 58291).

GEOFFREY CHARLISH

● COMPONENTS

Air-operated spray valve

THE FINNS have a new way with an old idea—using air instead of chemicals to power aerosol sprays.

Perlos OY of Finland have launched a new design of spray valve which can be fitted to a normal one-inch neck aerosol type container and which makes it possible to pump air by hand into the container as propellant in contrast to the more usual fluorcarbon propellants.

The valve, costing about 14p plus VAT in quantity, is marketed in this country by Kenyons Metal Containers of Stalybridge, Cheshire (061-338 2807).

Mr. Graham Chadwick, managing director of Kenyons, said that the company has a licensing agreement with Perlos to manufacture the valve in the UK.

While there are a number of aerosols available using air as propellant, he believed that the Perlos device, called the "Olozon" spray, was markedly more successful. It was suitable for low viscosity liquids such as hair sprays and lubricating oils. He foresaw uses in the pharmaceuticals industry where there was doubt over the safety of say, oral sprays, using conventional propellants.

The valve can be fitted to reusable containers or it can be crimped to the neck of conventional aerosol cans.

Valves fitted to aerosols using chemical propellants cost in the region of 7p but are rarely reusable.

● ASSEMBLY

Automatic soldering

SMALL electronics companies producing up to 300 completed printed circuit boards a day might benefit from new automatic soldering machines produced by Solbraze of Erith, Kent.

It has launched two new machines, the Carridip CD 926 and CD 1726, which it claims can be used to solder multiple connections on the board under the care of a comparatively unskilled operator.

The boards are mounted in an adjustable carrier which moves across the cleaned surface of the solder. Smooth transit is ensured by a hydraulic damper.

At the end of the carriage movement, a mechanical switch prevents the carriage returning until the track is raised.

The models cost £990 and £1,130 respectively. Solbraze can be contacted on Erith (38)

● FARMING

Measures area cultivated

WORKING IN conjunction with a wheel sensor on the implement, the area covered in ploughing, harrowing, harvesting, etc., can be accurately displayed on the Hectaremeter introduced by RDS (Agricultural), Stroud Road, Nailsworth, Stroud, Glos GL6 0BE (045383 3787).

The user has merely to enter the wheel diameter and working width of the implement on the front panel of the unit using four digit thumbwheel switches. Area worked is shown on two counter displays, one re-settable to zero, the other registering cumulative area.

Use of the device in conjunction with known application rates of chemical for example, or seed, or spray can ensure that the correct quantities per unit area are applied.

The unit will measure in acres or hectares.

● MATERIALS

Boards can be bent

FLEXIBLE PRINTED circuit boards that can be bent, complete with mounted components to match the shape of an equipment housing for example, can be made using the latest flexible copper clad laminate from 3M.

Also applicable to the production of interconnections, CuFlex 6550 is made from flexible flame-retarding epoxy/polyester resin reinforced by an organic fibre non-woven web. The material offers good adhesion to copper, good thermal and dimensional stability, ability to stand the heat of soldering, good mechanical strength and the ability to produce reliable plated-through holes.

The laminate also offers high peel strength and it can be wave soldered without blistering at 260 deg C for 10 seconds.

● POWER

Designed for small farms

A COMPACT addition to the Ringrose range of generating plant is the Mini-Genetract, designed for use on small farms, smallholdings or nurseries. The pulley is suitable for power take-off from a tractor or Land-Rover. Weighing 57.5 kg, the unit can be installed permanently under cover using bolts to secure the four feet to a solid base. For mobile use a specially designed chassis is available.

The generator can also be fitted with a vee pulley to enable a milking parlour vacuum pump to be driven mechanically, without absorbing power from the generator, in the event of a mains current failure.

Two models of the Mini-Genetract are available, one of 5 kVA output for single-phase 50-cycle use and the other of 6.25 kVA for three-phase 50-cycle use. The basic models are fitted with a 3-speed indicator system and outlet terminals and heavy-duty helical gears.

Details from Ringrose Electrical, Industrial Trading Estate, East Goscote, Leicester (0533 606404).

LOMBARD

Less gloom on OPEC's imports

BY DAVID MARSH

IT HAS BECOME a pundit's platitude to predict that the millstone of the OPEC surplus will be heavier and harder to dislodge this time round than it was after the first oil shock in 1973. The shake-up in Iran has reduced the phenominal propensity to import shown by the Islamic world in 1974-75. And the producer countries' resistance has stiffened to any repeat of the fall in the real price of oil which also occurred during that period.

All the same, it is worthwhile recalling how closely the present consensus view on the durability of the petrodollar surplus resembles the conventional wisdom of 1975. The economic soothsayers were confounded last time by OPEC's ability to spend its oil revenues—and they could well be proved wrong again. Already, there have been a few indications of how the twin impact of recession in the West (coupled with improved oil conservation) and increased import demand from OPEC might help to whittle away the surplus.

The West German Bundesbank, not normally known for any starry eyed fondness for building castles in the air, has been particularly optimistic of late about the prospects for boosting German exports to OPEC. And the OECD, while sticking to its forecast of a surplus of some $115bn this year, is predicting a fairly sharp drop in 1981, with a number of the more populous OPEC members expected to be approaching current account balance within about 12 months.

What happened last time? Doom-laden warnings of the catastrophic effects of the 1973 price rise were speedily watered down during 1974. But even by January, 1975, such august commentators as Morgan Guaranty and the Bundesbank's Dr. Otmar Emminger were regarded as somewhat rash when they predicted that the surplus would disappear within as short a time as five years.

Where the forecasters went wrong was in underestimating the speed with which both the "low-" and the "high-absorbers" among the oil states could suck in imports. In 1974-75, the volume of OPEC imports increased by around 40 per cent per year. The growth rate slackened to 15 to 20 per cent in 1976-77 and to 4 per cent in 1978 before import volumes actually fell by 13 per cent in 1979 (mainly because of Iran).

As a result, the $60bn surplus of 1974 (around the same in real terms as this year's is likely to be) was reduced by 50 per cent in 1974. After a small upward blip in 1976, it fell to only $5bn by 1978, before climbing again to nearly $70bn last year.

Nobody expects that the 1974-75 surge of exports to OPEC will be exactly repeated. The OECD, for instance, is predicting that sales to the oil states will rise by roughly 20 per cent in real terms in 1980. This is the year-on-year growth rate that was actually chalked up in the first quarter when, as the chart shows, the OECD's deficit with OPEC was roughly double that of the first quarter last year.

OECD caution

None the less, the Bundesbank at least is doing its best to prove that the OECD is erring on the side of caution. Its July report warns that reducing the OPEC surplus will not be as easy as last time, but says that the West's export chances should not be under-estimated: "The oil exporters' ability to absorb imports is greater than often supposed."

Officials have been making great play of the fact that German exports to OPEC, after growing at an annual rate of over 20 per cent in the first five months of the year, were up 40 per cent in June. And Dr. Helmut Schlesinger, the bank's vice governor—who as the Bundesbank's chief economist was the man responsible for Dr. Emminger's prediction back in 1975—has questioned whether there is such a large distinction between the import potential of the large- and small-population oil states.

After all, a recent Bank of England study has shown that the populous "high absorbers" within OPEC increased their import volumes by an average 13 per cent per annum between 1974 and 1979—while the annual import growth rate for the select group of "low absorbers" led by Saudi Arabia was more than twice as high at 31 per cent.

The developing interest in history

IF IT is really true that this is the time of the year when parents have bored children on their hands (I have only a bored spaniel), those in London can find a new diversion in suburban Harrow—on a factory site. It is not exactly an adventure playground, but a refurbished museum which Kodak has recently opened at its Harrow works. Those without children need no excuse for going because photographic history and its antiquities are now as culturally respectable as porcelain or paintings—and certainly more intriguing.

The new Kodak Museum has been housed in what is believed to be the oldest purpose-designed building in the company, opened originally in 1891. And although the parent company in the U.S., Eastman Kodak, is this year celebrating its 100th birthday, the Harrow museum is no promotional exercise. The entire history of photography is thoroughly represented, even to early cartons of Ilford photographic papers — Kodak's traditional British competitor.

The history of photography has become almost a cult subject in the past ten years, perhaps following on from Victorian furniture when that became too expensive as the mainstay of the poor collector. Early mahogany and brass plate cameras now easily reach hundreds of pounds in the salerooms, as do original prints of the better-known Victorian photographers.

One sign of the gathering importance of early photography to collectors is a forthcoming British court case involving alleged faking of Victorian photographs. This relates to photographs recently taken in east London, apparently of Victorian slum children. It could be claimed that any such photographs depicting historical scenes are no more misleading than contemporary "repro" furniture. But unlike most such furniture, these photographs may be difficult to distinguish from pictures of the time unless subjected to chemical tests.

Indeed, some early photographs—of which exquisite examples are displayed in the Kodak Museum—are often of a quality that makes modern photographs look technically crude and creatively *recherché*. The entrance to the museum is devoted to changing exhibitions of both contemporary photography and historical prints taken from the Kodak archives. I confess that I found the latter pictures more absorbing than the current display of Sam Haskins, whose modern photography owes more to fantasy than to life. Interesting, too, that the limited number of historical prints on display encourages greater attention than the embarrassment of riches so often found in exhibitions.

For me, the possession of a Frank Sutcliffe or Peter Emerson on my walls—atmospheric photographers of English rural life—would be almost as prized as a Norwich School landscape painting. Anyone who has yet to see a Sutcliffe or an Emerson has missed one of the joys of pictorial art: the former's 19th century pictures of Whitby are social history treated aesthetically, the latter's romantic view of East Anglia.

What is surprising about early photography is not just its creation of a new artistic idiom,

FILM AND VIDEO

BY JOHN CHITTOCK

but its mastery of this under incredible difficult technical conditions. The Kodak Museum traces this technical challenge through the displays of equipment and paraphernalia—which are arranged chronologically to unfold the story of photography.

It really began in the 1830s when the French, through Daguerre, were trying to upstage the British—characteristically represented by the private efforts of an English gentleman, William Henry Fox Talbot. Times never change: Daguerre was given a state pension and hailed as a national hero, while Talbot worked alone and relied on private enterprise. But Talbot's process was the real forerunner of modern photography.

The Kodak Museum contains an original Daguerre camera, chronologically placed before the Talbotype process because the French public announcement came some weeks before. But it was a friend of Talbot's, Sir John Herschel, who coined the word "photography."

Strictly, photography started even earlier with experiments using light sensitive materials. Thomas Wedgwood, of the pottery family, was an early innovator—printing silhouettes of botanical specimens on to glass.

This period of photographic development, traceable in the museum through equipment and examples of early pictures, involved complicated procedures for the photographer. The camera plates had to be prepared at the time the picture was to be taken, and up to the 1870s photographers had to be equipped with a portable dark tent where the sensitised coating could be carried out. One of the prized exhibits at Harrow is such a tent, in mint condition apart from the stains of chemical splashes on the inside.

Well before the 20th-century, Kodak introduced the first roll film camera—in 1888, the year that George Eastman coined the name Kodak (chosen because it could not be mispronounced or mis-spelt in any language and had a "firm and unyielding" sound). In the early 1900s followed the ubiquitous box "Brownie" camera, sold for five shillings as a children's camera and named after the pixie figures of Canadian illustrator Palmer Cox.

It is almost saddening, thereafter, to witness some of the manufacturing craft that the world once enjoyed. It is not confined to the splendid examples of mahogany and brass which gleam behind the well-designed display cases. One series of Kodak cameras in the 1930s, known as "fashion cameras," was designed by Walter Dorwin Teague with exquisite leather covering in a whole range of pastel colours. Seeing such quality in both design and manufacture is a severe reminder of the declining standards that modern society is now obliged to accept.

Cinematography also has its place in the museum, albeit a quick rush through the last century. Chinese shadowgraphs apart, it starts with another Englishman, Eadweard Muybridge, whose picture series of animals in motion vied with the work of another Frenchman, Etienne Marey, as the real forerunners of the motion picture.

There are other UK museums covering photographic history, such as the newly-opened exhibition centre at Bath of the Royal Photographic Society, and the collection in the London Science Museum. However, this refurbished Kodak Museum is the most comprehensive and largest of its kind in Europe—and has been put together almost as a labour of love by its curator, Mr. Brian Coe.

Middle-aged photographers will feel terrible pangs of nostalgia to see British-made cameras of the 1950s, last relics of the nation's manufacturing prowess before the Japanese came long—such as the Microcord (an exact copy of the Rolleicord, made when German patents were unprotected after the war), the Reid (copy of the Leica), and the Wrayflex (our very own, a 35mm reflex camera).

For me, this historical afternoon had its own personal touch of youthful nostalgia. The curator of the much smaller museum from which the new one grew was Dr. Rolf Schultze whom I first met in the 1950s at a German restaurant in London, the famous Schmidts. As we entered, his nostrils twitched and he blissfully exclaimed "ah, sauerkraut." Schmidts has gone, Dr. Schultze is dead, and they don't made cameras like they used to.

Royal Fountain for Gold Cup

RACING

BY DOMINIC WIGAN

NO BRITISH Group One race has produced as many shocks in recent years as the Benson and Hedges Gold Cup. With ground likely to be holding on the Knavesmire today, caution should be the keynote for backers.

As a result of her brave effort in the King George VI and Queen Elizabeth Diamond Stakes at Ascot—where she would have won had she got the trip fully—Mrs. Penny will head the market for this afternoon's 12-runner renewal of the tobacco prize

She may well win, but in view of that hard race at Ascot following an equally tough encounter in the Prix de Diane, I believe backers will do better to look for each-way value among one of the fresher contenders.

My idea of the best bet in this category is Royal Fountain who promised so much in the spring.

He conquered the Irish Sweeps Derby runner-up, Prince Bee, in the Wood Ditton Stakes on his racecourse debut and then went on to beat Hello Gorgeous strictly on merit on the same course in May when landing the Heathorn Stakes.

Although Royal Fountain failed miserably in the Glasgow Stakes, I believe the odds-on defeat was caused solely by firm ground which is undoubtedly all against his high pounding action.

With plenty of cut in the ground this afternoon, Royal Fountain can confirm Joe Mercer's post Heathorn Stakes view that he may be a top-class colt.

Joe Mercer's own mount this afternoon, Playboy Jubilee, has little hope "on the book" of getting among the £100,000 added prize money of which Benson and Hedges have contributed £57,500.

A better bet for anyone looking for a rank outsider to add to the race's reputation for upsets, is Royal Fountain's stable mate, World Leader. On his day, this extremely difficult ride is capable of causing a surprise in any company.

YORK

2.00—Kareem*
2.30—Crown Witness**
3.05—Royal Fountain***
3.35—Vielle
4.10—Pavilion
4.40—Brando
5.10—Tralee Falcon

TV/Radio

BBC 1

† Indicates programme in black and white

6.40-7.55 am Open University (Ultra high frequency only). 10.00 Noah and Nelly in Skylark. 10.05 Jackanory. 10.20 The All New Popeye Show. 10.40-11.00 Take Hart. 1.30 pm Trumptoo. 1.45-2.00 News. 3.35 Ymryson Cwm Defaid: Sheep dog trials. 4.13 Regional News for England (except London). 4.15 Play School (as BBC2 11.00 am). 4.40 Battle of the Planets. 5.00 John Craven's Newsround. 5.10 Stopwatch. 5.35 Fred Basset.

5.40 News.
5.55 Nationwide (London and South East only).
6.20 Cartoon.
6.25 Dr. Who.
6.50 Elvis!: "Blue Hawaii."
8.30 Potter.
9.00 News.
9.25 One Man's Poison (a look at homoeopathy).
10.15 Play for Today: "Comedians," by Trevor Griffiths.
11.50 Weather/Regional News.

All Regions as BBC1 except as follows:

BBC Cymru/Wales—1.30-1.45 pm Heads and Tails. 5.10-5.40 Yr Awr Fach. 5.55 Wales Today. 6.20 Gair I Gall. 6.45-6.50 Newyddion. 11.50 News and Weather for Wales.

Scotland—1.25-1.30 pm The Scottish News. 5.55-6.20 Reporting Scotland. 11.50 News and Weather for Scotland.

Northern Ireland—4.13-4.15 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 11.50 News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Newcastle); Look North-west (Manchester); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

6.40-7.55 am Open University.
11.00 Play School.
4.50 pm Open University.
6.55 Dallas.
7.40 Mid-Evening News including sub-titles.
7.55 Luck and Flaw.
8.30 My Music.
9.00 The Six Wives of Henry VIII.
10.30 Festival 80 from Edinburgh.
10.55 Newsnight.

LONDON

9.30 am Afloat. 10.00 A Big Country. 10.25 World Famous Fairy Tales. 10.40 Young Ramsay. 11.30 Bailey's Bird. 11.55 Mr. Magoo. 12.00 Paperplay. 12.10 pm Pipkins. 12.30 The Sullivans. 1.00 News plus FT Index. 1.20 Thames News. 1.30 Crown Court. 2.00 After Noon Plus. 2.25 pm Racing from York. 3.45 Tell Me Another. 4.15 Under the Same Sun. 4.45 The Square Leopard. 5.15 A Sharp Intake of Breath.

5.45 News.
6.00 Thames News.
6.35 Crossroads.
7.00 The Krypton Factor.
7.30 Robin's Nest.
8.00 Invasion.
10.10 News.
10.40 Girl Talk.
11.10 Border Country.
12.10 am Close: Rodolph Walker reads a West Indian poem.

All IBA Regions as London except at the following times:—

ANGLIA

10.00 am Tuesday Morning Film: "David Copperfield," starring Richard Attenborough, Cyril Cusack and Edith Evans. 11.55 Cartoon Time. 12.30 pm Against the Wind. 1.20 Anglia News. 2.00 Houseparty. 5.15 Happy Days. 6.00 About Anglia. 12.10 am The George Hamilton IV Show. 12.40 East Anglian Pilgrimage.

ATV

10.00 am Odeon Cavalcade. 10.30 The Space Movie: "Battle Beneath the Earth." 12.30 pm Against the Wind. 1.20 ATV Newsdesk. 4.15 The Oompahs. 5.15 Struck By Lightning. 6.00 ATV Today. 12.10 am ATV Newsdesk.

BORDER

10.00 am Treasures in Store. 10.25 Redgauntlet. 10.50 Portrait of the Artist. 11.05 Tarzan. 11.55 Cartoons. 1.20 pm Border News. 5.15 The Lost Islands. 6.00 Lookaround Tuesday. 12.10 am Border News Summary.

CHANNEL

12.30 pm Against the Wind. 1.20 Channel Lunchtime News, What's On Where and Weather. 5.15 Doctor Down Under. 6.00 Channel News. 6.10 Look Who's Talking. 10.36 Channel Late News. 12.10 am The Entertainers. 12.35 Commentaires et Previsions Meteorologiques.

GRAMPIAN

9.25 am First Thing. 10.00 Treasures In Store. 10.25 Redgauntlet. 10.50 Portrait of the Artist. 11.05 Tarzan. 12.30 pm Against the Wind. 1.20 North News. 5.15 Mork and Mindy. 6.00 North News, Farming News and Area Weather Forecast. 6.15 Fanglace. 12.10 am Reflections. 12.15 North Headlines.

GRANADA

10.00 am Noyes Over Japan. 10.45 Cartoon Time. 11.00 Sesame Street. 12.30 pm Against the Wind. 1.20 Granada Reports. 4.15 The Undersea Adventures of Captain Nemo. 5.15 Happy Days. 6.00 Granada Reports News. 6.05 Time Off. 6.20 This Is Your Right. 6.30 Take My Wife. 12.10 am *Jazz Concert. With Kenny Ball and his Jazzmen.*

HTV

†10.00 am Tuesday Morning Movie: The first of the Few, starring Leslie Howard and David Niven. 12.30 pm Against the Wind. 1.20 HTV News. 5.15 The Trash Programme. 6.20 Crossroads. 6.00 Report West. 6.30 A Return to Rosie.

HTV Cymru/Wales—As HTV West/HTV General Service except: 12.00-12.10 pm Flaisbalom. 4.15-4.45 Sbardun. 6.00 Y Dydd. 6.15-6.30 Report Wales. 10.40 Border Country. 11.40-12.10 am Police Surgeon.

SCOTTISH

10.00 am Treasures in Store. 10.25 The Lost Islands. 10.50 Portrait of the Artist. 11.05 Young Ramsay. 11.55 The Bubblies. 12.30 pm Against the Wind. 1.20 News and Road and Weather. 5.15 Popeye. 5.20 Crossroads. 6.00 Scotland Today News and Festival '80. 12.10 am Late Call.

SOUTHERN

9.30 am Human Face of China. 10.00 "Devil on Horseback," starring Googie Withers. 11.30 The Lost Islands. 1.20 pm Southern News. 2.00 Houseparty. 3.45 The Electric Theatre Show. 5.15 The Undersea Adventures of Captain Nemo. 5.20 Crossroads. 6.00 Day by Day.

TYNE TEES

9.20 am The Good Word followed by North East News. 10.00 George Hamilton IV. 10.20 The Beetles. †10.40 Morning Movie—"You're Only Young Twice" starring Duncan MacRae and Joseph Tomelty. 1.20 pm North East News and Lookaround. 5.15 The Electric Theatre Show. 6.00 North East News. 6.02 Northern Life. 10.40 North East News. 12.10 am Sloomin' Numan. 12.30 Learning for a Living.

ULSTER

10.00 am Treasures in Store. 10.25 Redgauntlet. 10.50 Portrait of the Artist. 11.05 Chopperquod. 1.20 pm Lunchtime. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Ulster Television News. 6.15 Bygones. 10.39 Ulster Weather. 12.10 am Sedlime.

WESTWARD

10.00 am Survival. 10.25 Redgauntlet. 10.50 Sesame Street. 11.50 Cartoon-time. 12.30 pm Against the Wind. 1.20 Westward News Headlines. 4.12 Gus Honeybun's Birthdays. 5.15 Doctor Down Under. 6.00 Westward Diary. 10.36 Westward Late News. 12.10 am The Entertainers. 12.35 Faith for Life. 12.40 West Country Weather and Shipping Forecast.

YORKSHIRE

10.00 am Jewels of the Ocean. 10.25 Comic Stories. 10.30 Thunderbird Six. 11.55 The Bubblies. 12.30 pm The Mary Tyler Moore Show. 1.20 Calendar News. 3.45 Calendar Tuesday. 5.15 University Challenge. 6.00 Calendar (Emley Moor and Belmont editions). 12.19 am Run from the Morning.

Radio Wavelengths

1	1053kHz/285m 1089kHz/275m	3	1215kHz/247m & 90-92.5vhf stereo	BBC Radio London 1458kHz, 206m & 94.9vhf
2	693kHz/433m 909kHz/330m & 88-91vhf stereo	4	200kHz/1500m & 92-95vhf	Capital Radio: 1548kHz, 194m & 95.8vhf London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

(S) Stereophonic broadcast

5.00 am As Radio 2. 7.00 Mike Read. 9.00 *Simon Bates.* 11.00 Andy Peebles with the Radio 1 Roadshow. 12.30 pm Newsbeat. 12.45 Paul Burnett. 2.00 Peter Powell. 4.31 Richard Skinner. 7.00 Personal Call. 8.00 Chris Jones. 8.50 Newsbeat. 10.00 John Peel (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.03 Steve Jones (S). 7.32 Ray Moore (S). 10.03 Jimmy Young (S). 12.03 pm David Hamilton (S). 2.00 Ed Stewart's Request Show (S). 4.03 Much More Music (S). 8.03 Bob Kilbey (S). 8.02 Nooray for Hollywood. 9.02 Glamorous Nights (S). 9.55 Sports Desk. 10.02 Windsor Davies Presents . . . The Multi-National Eisteddfod Show. 10.30 Those Magical Movie Musicals: "Doctor Doolittle," starring Anthony Newley. 11.02 Brian Matthew with Round Midnight at the Edinburgh Festival, including 12.00 News. 2.02-5.00 am You and the Night and the Music (S).

RADIO 3

†6.55 am Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Prokofiev (S). 10.00 Brahms Chamber Music (S), including 10.35-10.45 Interval Reading. 11.25 Tippett song recital (S). 12.05 pm English Chamber Orchestra, Part 1 (S). 1.00 News. 1.05 Six Continents. 1.25 English Chamber Orchestra, Part 2 (S). 2.00 Images of Debussy (S). 2.45 London Bach Society Concert, Part 1 (S). 3.20 Interval Reading. 3.25 Concert, Part 2 (S). 4.10 Music for Pieces of Wood, by Steve Reich (S). 4.25 Jazz Today (S). 4.55 News. 5.00 Mainly for Pleasure (S) (? and mono only from 6.30). 7.00 Promenades. 7.30 Proms concert, Part 1: Beethoven, Liszt (S). 8.20 Radio 3 Short Story Competition. 8.40 Proms, Part 2: Shostakovich (S). 9.45 King Bolden (Portrait of Negro jazz cornetist, Buddy Bolden). 10.30 Mozart chamber music (S). 11.00 News. 11.05-11.15 Purcell (S).

VHF only—Open University—6.00-7.00 am and 6.20-7.00 pm and for students in Radio Scotland and Radio Cymru areas only: 12.00-1.00 am.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today, including 6.45 Prayer for the Day. 7.00, 8.00 Today's News. 7.30, 8.30 News headlines. 7.45 Thought for the Day. 8.45 Blasting and Bombardiering. 9.00 News. 9.05 Tuesday Call. 10.00 News. 10.02 Medicine Now. 10.30 Daily Service (S). 10.45 Story Time. 11.00 News. 11.05 Thirty-Minute Theatre. 11.35 Wildlife. 12.00 News. 12.02 pm You and Yours. 12.20 Down Your Way visits the Isle of Skye. 12.55 Weather; programme news. 1.00 The World At One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Listen With Mother. 3.15 A Dance to the Music of Time (S). 4.10 Living Without Nell. 4.40 Announcements. 4.45 Short Story. 5.00 PM News Magazine. 5.50 Shipping Forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Detective. 7.00 News. 7.05 The Archers. 7.20 Carch Me a Butterfly (S). 8.05 On the Train to New Zealand. 8.20 Odyssey. 9.05 Can We Make Jobs? 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight: News. 10.30 Origins. 11.00 A Book At Bedtime. 11.15 The Financial World Tonight. 11.30 Shura Cherkassky (piano) plays Chopin, Saint-Saens, Gounod. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 10.03 The Tony Blackburn Telephone Programme. 1.03 pm London Live. 4.30 London News Desk. 5.35 Music On The Move. 7.03 Black Londoners. 8.00-5.00 am *Join Radio 2*

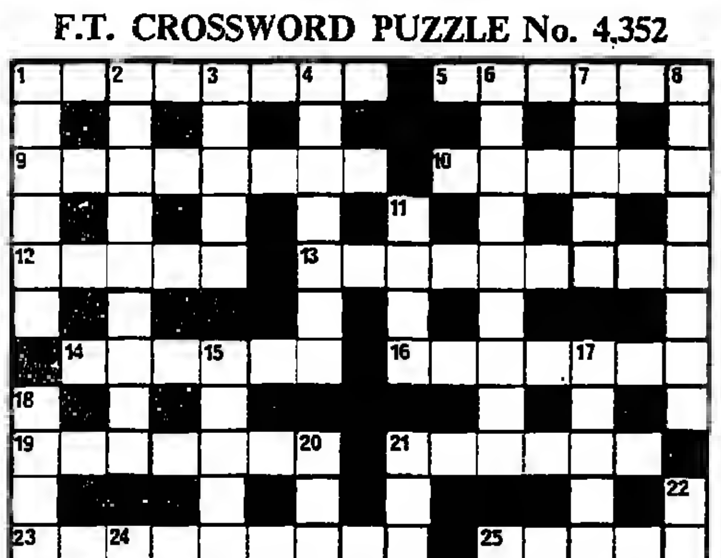
London Broadcasting

5.00 am AM—Douglas Moffit and Alan King. 10.00 Brian Hayes. 12.00 LBC Reports. 8.00 pm After Eight. 9.00 Jenny Lacey—Nightline. 12.00 LBC Reports Midnight. 1.00 am Night Extra. 4.00 After Eight Special. 5.00 Morning Music.

Capital Radio

6.00 am Mike Smith's Breakfast Show (S). 9.00 Michael Aspel (S). 12.00 Graham Dene (S). 1.00 pm London Today (S). 1.10 Graham Dene (continued). 3.00 John Sachs (S). 7.00 London Tonight with Sarah Ward (S). 9.00 Peter Young (S). 11.00 Mike Allen's Late Show (S). 2.00 am Duncan Johnson's Night Flight (S).

F.T. CROSSWORD PUZZLE No. 4,352



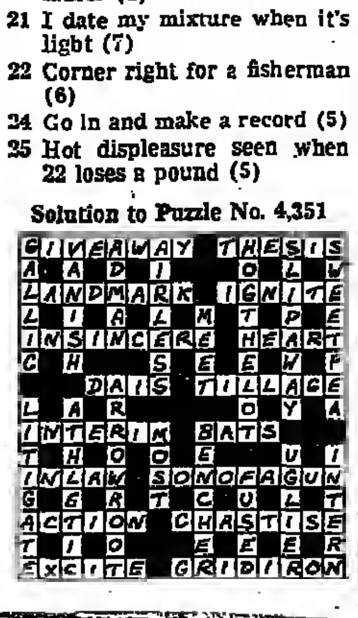
ACROSS

1 Fine soft fabric for ready money and nothing more (8)
5 Imitated doctor returning in animal colony (6)
9 The way a team may be curbed? (8)
10 Cruel female makes a lot of progress (6)
12 Frequently charactetised by "X" (5)
13 Study offer from opponent (9)
14 Fail to hit the Spanish bird (6)
16 A killer, nevertheless dear in France (7)
19 Bell giving spirit to you and me (7)
21 Robe for strange old fellow (6)
23 Mental agitation before a direction to formal management (9)
25 Grey like a bird (5)
26 Bed not turned hack although the sheets may be (6)
27 Aid along precariously from corner to corner (8)
28 Place to trade your short victim (6)
29 Traitor putting sle around salver (8)

DOWN

1 Vehicle with great weight in package (6)
2 Begin to fish? It's astonishing! (9)
3 Member of society taking mother and child (5)
4 Root initially caught in a type of tyre (7)
6 Of a colouring that makes glutton mad (9)
7 Fear being late around riverhead (5)
8 Save-all before psalm (8)
11 Check cakes put up (4)
15 Cure a Conservative of changing abruptly (9)
17 Warm up unit of inducance in disbelief (9)
18 Top music arranged by producer of hot stuff (8)
20 South-German and Pole in a lather (4)
21 I take my mixture when it's light (7)
22 Corner right for a fisherman (6)
24 Go in and make a record (5)
25 Hot displeasure seen when 22 loses a pound (5)

Solution to Puzzle No. 4,351



THE ARTS

Anthony d'Offay

Joseph Beuys

by WILLIAM PACKER

Over the ten years and more in which he has been active as a dealer, Anthony d'Offay has secured for his tiny gallery in Dering Street (which remains his headquarters) a position of an importance in our art world out of all proportion to its size. His handsome additional space across the road is therefore a most important new feature in the landscape, widening his scope at the very moment it celebrates and confirms those years of enterprise and success. That any picture dealer should choose so to extend himself is, to say the least in these inauspicious times, a most heartening portent.

The inaugural exhibition is itself something of a coup, for it is given over to the German artist, Joseph Beuys, a remarkable sculptural installation by him filling the new space, a group of his drawings, including the suite "Words which can Hear" made in 1975, occupying the old (until September 10). It comes to us not before time: Beuys now stands higher in international reputation than any other living artist, lionised, endlessly sought after as much for himself, and the mysterious persona he cultivates, as for his works, such as they are. He has been extraordinarily influential for 20 years past, his almost the tutelary presence at such festivals as the recent Venice Biennales, for example. The Americans have just given him an enormous retrospective in New York. And yet his work has hardly been seen in this country—Ricky Demarco entices him to Edinburgh from time to time; there has been the occasional performance or lecture; a substantial show of drawings went the rounds all of six years ago; and that is all.

But for all his high standing, his work will come as a considerable shock to those of you unfamiliar with the conventions and orthodoxies of certain kinds of recent art, who perhaps expect the authority of the artist to be invested in something not merely tangible, but positively hand-made or hand-done. There are, however, no rules binding artists, who are entirely free to work as they see fit, with whatever material they consider appropriate to their purpose. We must consider the work, whatever it is, as it stands.

The sculpture, called "Stripes from the House of the Shaman" consists of seven strips of grey carpet felt, a foot or so wide, each of them running the better part of the gallery's length, three of them fixed to the lintel above the door between the two rooms by twigs of Christmas tree, and running down to the floor, and so along, the other four fixed likewise to the wall of the further gallery and running through to join the others, though on a somewhat different alignment. On the wall to one side hang two coats, both apparently redolent of Beuys' past, and one of rabbit skin with a pocket full of white pigment, the other a slate-blue Swiss Red Cross overcoat. Below is laid out a long thin metal roll, itself enwrapped in a roll of felt, with its protruding ends joined by a length of wire, as though it might be a strange electrical apparatus, an outlandish battery. And that is all, apart from more pigment sprinkled at each strip's end, and two small twigs upright in the more secret corners of the gallery.

Certainly the bare description makes it sound suspiciously precious and arbitrary, an initial scepticism not altogether unreasonable. How can the mere disposition of such stuff constitute a work of sculpture, a work of art? But any work of art may seem precious and arbitrary when it confounds an initial expectation, or supposed requirement; and much will depend here on what is brought to the work, and how desperately it is retained. And on the other hand a sympathetic predisposition may be as misplaced; for there the work stands, and though reams may have been written in explication and defence (just so with Beuys), there are few words, nor should there necessarily be more, to help it now. A sympathetic curiosity serves very well.

And what we see about us here, spread about with such casual contrivance, soon begins to work on us not as the integral and autonomous object, which is the conventional sculpture, but rather as the props and furniture of some perfunctory play or rite, only lately left off by its principals. Beuys has always been a performer, taking the work upon himself, investing it with his presence and participation: and the consonance between theatrical, magical and sacerdotal practice is very close. The title given to this particular work makes the connection absolutely plain. The Shaman must be the artist Beuys sees himself to be, seer, initiate, and intermediary between the mundane world and the world of imagination, priest-artist and medicine-man. This little tableau of his is an exercise in auto-biography, as art and ritual must always be. His coat hangs on the wall where he left it beside his grandmother's: the strips lie unfurled, dusted finally beneath some unknown, private incantation, as the Shaman bent to his work. Everything in the room speaks of action just left off, of the presence only just gone out. The silence of the forest in the snow is caught by the dry branches, and the dead felt underfoot.

Joseph Beuys (left) with friends at the Venice Biennale, 1980

Karlovy Vary

22nd Film Festival

by RONALD HOLLOWAY

The Opera Prima competition at the 22nd Karlovy Vary International Film Festival (June 27 to July 10) saved the day and, on more than one occasion, warded off the discomfort of a constant drizzle that turned one of the loveliest spas in Europe into a puddle. Not even a promenade from the festival's Thermal Hotel to the film market screenings in the Grand Hotel Pupp at the other end of the valley was possible without a brace of foul-weather protection.

One debut film in particular, Olev Neuland's *Nest in the Wind* (Estonian Republic Soviet Union), proved singularly conspicuous and justly won the top award in its category. It's set in 1945 during the first autumn of peace, a time of surfacing social conflicts in a border country. A nationalistic, independent Forest Fraternity terrorises a farmer and his family on the edge of the woods for attempting to maintain a position of neutrality when the Soviets consolidate their power in the area; at the same time, a starving Austrian deserter from the defeated Wehrmacht puts on a deaf-and-dumb act to become the farmer's hired man and, later, marry into the family. Four contradictory premises lead, in the end, to irresolution, death and tragedy. Well acted and photographed, *Nest in the Wind* deserves further exposure at non-Socialist festivals.

The same goes for Goutam Ghose's *Our Land* (India), which treated the identical postwar period, 1946-47, during a period of conflict in the final years of British rule. The plight of the peasants under feudal lords in the province of Hyderabad is sketched in black-and-white as a fiction-documentary with accompanying newsreel footage. More a thesis than a film, the message is social and moral responsibility to the people who till the land.

An hour-long treasure was found in the FAMU retrospective, a series of films produced by foreign graduates of the Prague Film Academy over the past two decades. Ralf Kirsten's *The Lost Angel* (German Democratic Republic) was begun in 1965 and finished in 1971 after changes were apparently made: the East German feature chronicles with a subjective camera the last days of banned sculptor Ernst Barlach (d. 1938), the title referring to his Angel of Peace that hung in his village church at Güstrow until the Nazis removed, and destroyed, it in 1937. The countenance of the angel was that of artist and friend Käthe Kollwitz. The lyric style and appropriate black-and-white lensing lend a timelessness to the theme and story.

Another East German film, Günter Reisch and Günther Rücker's *The Fiancée*, won the Grand Prix in the main competition. Set in the same thirties, it's the passion of a woman Communist sentenced to ten years in prison for distributing propaganda at the beginning of the Third Reich. Her love for the man who was her accomplice on the outside keeps a flame of hope alive amid debumanising conditions—until, just as she is about to win her freedom, he is captured by the Gestapo and executed. Jutta Wachowiak as the fiancée brings integrity and conviction to a story that seems outmoded today, although (as in Bresson's *A Condemned Man Escaped*) everything contained in the film is true and autobiographical. It is Reisch's best film to date, a director who deserves more recognition for the realism and relevance of his films.

As Karlovy Vary is so East European showcase, it was not surprising that several entries from Socialist countries stole the spotlight away from Jewison's *Justice for All* and Benton's *Kramer vs Kramer*, the courtroom dramas from across the sea that (together with anything "Western") caused runs at the box-office. Poland sent Kazimierz Kutz's *Beads of a Rosary*, a warming tale of a senior citizen who refuses to move out of his miner's cottage into a modern, but confining, apartment flat. Romania bowed with an adaptation of Sophocle's *Antigone*, Alexandru Tatos's *Anastasia Passed By*, about a schoolteacher's decision to bury a dead Yugoslav partisan left by the Nazis at a village crossroads as a warning to the citizens.

The Czechoslovak hosts put all their chips on Martin Holly's *Signum Laudis*, set in the First World War and utilising the set left behind by an American television company filming a series based on Remarque's *All Quiet on the Western Front*. A better selection would have been Vera Chytilova's *Panel Story*, presented in the Film Market at Cannes and shown privately to potential buyers in Karlovy Vary. This tongue-in-cheek, merrily sarcastic comedy on the foibles of occupying a new apartment building (a neat counterpart to Kutz's *Beads of a Rosary*) triggered successive splashes through the puddles in search of the rumoured market screening.

That ray of light breaking through the clouds never came.

Changes at Stratford, Ontario

Major changes are announced in the direction of the Stratford, Ontario, Festival.

Confounding this year's usual rumour, Robin Phillips will stay at Stratford, but in the new appointment of Festival Director. Administration will be in the hands of a committee of three Artistic Directors, Brian Bedford, Leo Ciceri and Martha Henry, and five Resident Directors, Pam Brighton, William Hutt, Urjo Kareda, Peter Moss and Peter Roberts. Douglas Rain will serve as Liaison Chairman.

This committee will be responsible for the 1981 Festival season, consisting of a summer programme in Stratford and a winter programme in Toronto. It will also develop Stratford's connections in New York and London, and in films and television.

Festival Hall

Handel

by NICHOLAS KENYON

The Handelian versions of Fire and Water were linked in Sunday's Festival Hall concert by a suite called *The Alchemist*: if the result was not quite pure gold, it at least produced an original and diverting entertainment. For this was a concert given on baroque instruments by the Academy of Ancient Music: their *Water Music* sold out a Prom concert two years ago, and it was encouraging to see the same piece filling the Festival Hall. Encouraging, too, to see that in spite of the absence of several of the most familiar instrumentalists on the scene (none of the three most obvious leaders was leading: Christopher Hirons did so well) the Academy was able to field a large and confident team of players under Christopher Hogwood's direction.

Not large enough, however, for the *Royal Fireworks Music*; the programme gave some sensible reasons for reducing the original outdoor scoring, but not the most pertinent—that it would be near impossible nothing less than an international convention of baroque orchestras to gather the 54 wind instruments of the original. Still, we had six oboes, four bassoons, three horns and four trumpets, a rare enough sight on such occasions, and their perky, plangent sounds made the grandeur of this great occasional piece spring to expressive life. Because the wind did not blast and the drums beat crisply, the swinging rhythms and subtle phrasing of Handel's score could make their full effect.

In the *Water Music*, too, the grand and often stodgy *Lentement* of the D major Suite had transparency and flow; the famous Air positively prattled along, its dotted rhythms elided in a lunge for the next downbeat. I sometimes wished that the onward rush of the music would be more firmly checked, as in the D major Hornpipe—not slower, simply more responsive to the weight of the off-beat notes and the syncopations. Mr. Hogwood's beat was encouraging rather than decisive; whether or not the music needs a harpsichord (and with two excellent theorbo continuo players it evidently does not) I cannot believe that Handel would ever have ignored one in front of him: indeed when Hogwood sat down to play for the first time in the Rigaudon of the G major Suite the ensemble became noticeably firmer.

The Alchemist Suite was a curiosity: the numbers from the overture to *Rodrigo* separated and rearranged (probably without Handel's knowledge) for a London play in 1710. The one spurious movement, a vivid, hammer-stroke Prelude, was the most striking; elsewhere the tendency of this ensemble to settle into comfortable jog-trot rhythms and sustain them (a common chamber orchestral failing, but one that old instruments usually avoid) was too often evident. The whole evening, though, was carried off with thorough professionalism: no cracking horns and trumpets, no squawking oboes. The promised outdoor fireworks display was cancelled; somehow the South Bank just cannot catch the festival spirit, let alone set the Thames on fire.

'Hair' tour opens at Bromley

The American rock musical *Hair* began a national tour at the Churchill Theatre, Bromley last night where it runs until Saturday, August 30. This new production is presented and directed by Malcolm Knight.

'All That Jazz' to open in London

Bob Fosse's film, *All That Jazz*, which won four Oscars and the "Palme d'Or" award as the best picture at this year's Cannes Film Festival, will have its British premier on Thursday, August 21, at the Odeon Haymarket in London.

EDINBURGH FESTIVAL

Cosí fan tutte

by MAX LOPPERT

Last year, in John Drummond's first season of Edinburgh artistic direction, the previously hallowed practice of inviting foreign-opera companies to visit the Festival was put in abeyance. It is reinstated this year by the Cologne Opera, who opened the operatic side of the Festival with Sunday's *Così fan tutte* at the King's Theatre. Two further performances are still to come, followed by two of Cimarosa's *Secret Marriage*.

John Pritchard has been the Cologne principal conductor since 1978, and has, according to more than one report, (including several on this page), done great things there. The remarkably ordinary quality of this *Così*—ordinariness was, in fact, its single significant and abiding characteristic—was such as to provoke during its course a clutch of questions in the mind of the puzzled audience-member.

Was this really intended as a sample of Cologne's Mozart at its Pritchard-inspired best? Who on earth thought it worth bringing to an international festival? And (in a benefit-of-the-doubt mood) had something gone amiss with the visual presentation? The last is probably the most easily answered: for it is highly unlikely that the Cologne powers-that-be actually desired the backcloth of the second scene to be hung so notably askew, or the inner stage curtain to offer such a soiled and stained appearance to the eye, or backstage difficulties to indicate themselves to the audience so audibly.

Let me be clear about this: it was not a bad account of the opera. The cast, though stylish and interestingly characterised in only one of its members, was nevertheless uniformly efficient. The playing of the Gürzenich Orchestra was no worse than one might encounter on a mid-season evening at, say, the Coliseum. And, had that been the condition of the performance, rather than its elevation to an Edinburgh opening night, one might even have been in a mood to admire passing moments of neatness and capable action in the musical presentation. The mess of the staging would call for comment at any time of the year; but the fact that the production and the black, grey and white designs were both credited to Jean-Pierre Ponnelle lent even a certain piquancy to the bargain-basement quality of the spectacle. Which is not to say that the expected jokey glosses and decorative twiddles were missing (a bit of extraneously applied business, in "Prenderò quel brunettino," for the sisters, two portraits of their new lovers, and two apples, firmly carried the Ponnelle trademark); only that his glittering theatrical verve, usually a reliable and quite often a dislikeable, concomitant of his shows, was signally absent.

So was the awareness of the opera's subtler, more disturbing aspects. When Carlos Feller's Alfonso (voiced less roundly than when the Argentinian baritone used to appear at Glyndebourne), held the stage, shaping the words and the character with a relish and a command of the idiom unknown to his fellows, a sense of what the work can and should be was briefly in the air. Otherwise, while the music was for the most part capably delivered—Rüdiger Wohlers' Ferrando, less ill-tuned and reedy than recently in London, must still be accounted below proper standard—the ensemble lacked wit, polish, mutual responsiveness. Gugliamo (Claudio Nicolai), and Despina (Georgine Resick), were sound routine; Ann Marie's Dorabella, warmly personified and ripely sung, wait for a production of sharper focus to challenge it into more communicative performance.

Julia Varady's soprano is a fascinating instrument; for Fiordiligi, however, its technical assurance was evidently less than always complete—in both of the arias there were anxious as well as exciting moments, and she seemed to apply too unvaried an intensity to a role that needs a much wider range of expression. All the singing—and, indeed, the whole dramatic tone of the production—cried out for less bland leadership from Pritchard, on his day one of the finest of all Così conductors. Altogether, a notably un-festive Festival opening.

Snapshots/Yobs and Snobs

by MICHAEL COVENEY

While hundreds of actors squeezed into the Festival Fringe Club on Sunday afternoon to shake Andrew Cruickshank's hand, swallow gallons of wine and sniff out the journalists, Sir Peter Hall was making his street theatre debut on board a float going down Princes Street with the Albion Band and National Theatre Company.

The parade attracted large crowds. Everything happening seemed to be in aid of something else about to happen. But the rain shone and, by early evening, it was business as usual at the Traverse Theatre Club.

From the above preamble, you have probably guessed that, so far, there is little to report. *Snapshots* by John Anderson, smartly directed by John Normington on a seductive set by Poppy Mitchell, is a harmlessly thin opener for the Traverse. In a series of flashbacks, old movie cliches and indifferently sung songs, we follow the not very interesting life story of Joe (Alastair Llewellyn) from cradle to altar. It is a good example of how the fringe has settled down over the past few years. You get that feeling around the Traverse as well, of people going through the fringe motions, putting their elbows in puddles of beer and wondering whether it will be Adrian Mitchell or Roger McGough to be first through the restaurant door. I even heard a rumour that Jim Haynes is in town. Perhaps the Traverse should do a Festival play about its own history and leave stuff like *Snapshots* to the, well, tourists.

Much better, if only because it was more raucous and rough and ready at the edges, was Andrew Dallmeyer's late-night *Yobs and Snobs*. This author has contributed a couple of refreshing revue antidotes to the antiseptic Oxbridge formula in recent years. His yob is a tremendously loud actor called Robbie Coltrane who poses a real threat to an audience; the snob is the deliciously upper crust Vivienne Dixon. On either side of a garden fence, the stereotypes exchange roles and land a few good body blows on the orthodox Liberal underbelly of social commitment and bourgeois decadence.

The writing is indulgent but often funny, the production splendidly unbuttoned. There are two large flats to signify the opposition camps, one of which took a bow with the cast, and came crashing to the ground to scatter the front row and send us quickly away in search of another post or puddle of beer.

Albert Hall/Radio 3

Robinson Crusoe

by RONALD CRICHTON

The Proms celebrated the Offenbach Centenary on Saturday night with a complete concert performance of *Robinson Crusoe*. This once forgotten work made a belated though much enjoyed London debut in an Opera Rara revival at the Camden Festival seven years ago. Since then, and in the same production by William Chappell and sets by Anthony Holland, *Robinson* was twice revived by the London Opera Centre. Opera Rara have now recorded the work with Saturday's cast, orchestra (Royal Philharmonic) and conductor (Alun Francis).

Robinson is not strictly an operetta but a comic opera with spoken dialogue written for the Opéra Comique in Paris. There is, in fact, at least in the English version by Don White, unusually little dialogue: the numbers of the first act run on almost without interruption. In the theatre, an apparent break of style between this act, much concerned with quiet domestic interchanges between Sir William Crusoe and his family in their Bristol drawing room, and the mad, cannibal extravaganza (some way after Defoe) of the two later acts.

The Prom performance suggested that the inconsistency is more a matter of plot and location than of actual music—the island acts are also stuffed with good things. The fact that they are nearer Offenbach's normal operetta style than what has gone before is balanced by the relish with which he seized the opportunity of writing for a larger orchestra than Boulevard theatres offered. It was worth having the RPO for the polish they put on such unexpected pages as the tropical forest murmurs (in 1859, already) of the first part of the Act 2 finale.

The piece deserves strong casting: John Brecknock's deceptively easy way of singing and candid stage manner were as right for Robinson as Yvonne Kenny's warm and supple inflections for his cousin and sweetheart. Edwige, though ideally one needs a stronger hint of burlesque at the moment Edwige tips the second act finale into a waltz-song. In the travesti role of Man Friday (written for Galli-Marié, the first Carmen) Sandra Browne, was once again irresistible. The servant couple, Suzanne and Toby, who have some of the best numbers, were done with a sharp sense of comedy by Marilyn Hill Smith and Alexander Oliver.

Alan Opie was Jim-Cocks, the Bristol boy turned cannibal cook, Wyndham Parfitt the pirate chief. The BBC Singers served as pirates and cannibals alike. The few touches of semi-staging were harmless. The Promenade was half empty, but then snobbery about "light music" is a most curious thing. The reception nevertheless was friendly enough to provoke an encore of "There's no place like England," a satirical quartet in which Mr. White almost rivals Gilbert in verbal point.

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Poland on the knife's edge

POLAND HAS a tougher will to survive than any nation in Europe. Divided between Austria, Prussia and Russia in the 18th century; briefly revived after the first World War: crushed between Hitler's Germany and Stalin's Russia in 1940. Poland has retained its special identity and a readiness to resist established Communist authority 35 years after becoming part of Moscow's East European system.

The wave of strikes that broke out at the beginning of July is only one case in point. As they are doing now, Poles struck for a better living standard in 1970 and in 1976. Political riots occurred in 1956. No other eastern European country has a similar record.

Intervention

East Berliners took to the streets in 1953. Hungary rose in popular revolt in 1956; Prague had its brief spring in 1968. In each case the Soviet army intervened, as it has not done in the Polish case. None of these countries has again broken into open defiance.

Yugoslavia and Romania are fundamentally different. There, Communist regimes themselves broke with Moscow. Tito got away with it because, as Hitler discovered, much of Yugoslavia is ideal guerrilla territory, and there never was any doubt of Tito's readiness to take advantage of that. In Romania, Soviet hegemony has been denied, but not the Moscow-style Communist system as such. Moreover, there is no common border with the West. Moscow therefore decided to close an eye.

In the case of Poland the Communist system as such has also not (or not yet) been challenged. But there is no gainsaying that strikes are utterly repugnant to Soviet-brand Communism. By conceding wage rises and promising that strikers would not be victimised, the Polish authorities have come as close as possible to recognising strikes as a legitimate weapon.

Geography

Like Romania, Poland does not have a common border with the capitalist West. But that is merely statement of bald geographic fact. The continuing role of the Roman Catholic Church, both a spokesman for the strikers and a moderating influence upon them; an intelligentsia which, by Russian standards is unorthodox and has successfully fought for a limitation of censorship; and the many links with a pluralist West make Poland a special case in the Warsaw Pact, comparable only with Hungary.

Even the geography has a logic of its own. East Germany is Poland's western neighbour. If there is one course of events that Moscow could not tolerate, it would be one threatening the lines of communication of Soviet forces in East Germany, let alone a crumbling of its power in that country and in Poland. It was precisely when Polish rail strikers blocked one of the main lines across Poland that the Polish politburo issued its dire warning that concern could be awakened among Poland's friends.

Such considerations caused the West German Chancellor, Herr Helmut Schmidt, to put pressure on bankers to extend new loans to Poland. If Mr. Edward Gierek, the Polish leader, were to be swept away, he felt, a fatal blow could be dealt to detente in Europe. The bankers' decision to put together $1.2bn in credits may have made it easier for Mr. Gierek to postpone the visit which he was to have paid Herr Schmidt this week: money was to have been high on the agenda.

Caution

Not only Herr Schmidt has played his cards cautiously. The Russians have not visibly stirred; the strikers have not rioted, as they did in 1970 and 1976; and the Polish authorities have avoided stern repression. They have even thrown out hints that they might concede a greater degree of workers' management in industry (such as exists in Hungary now).

These delicate balances must not be upset. Polish workers have justified grievances against an inefficient system of economic management which has kept down their living standards. Their moderation to date has been well advised. The response of the authorities in Warsaw and Moscow should continue to be equally prudent.

The trade dimension

IT IS always tempting to hope for miracles, and in that spirit it would be nice to believe that the remarkably strong trade figures published yesterday represented a reliable new trend. One might then be able to say that a current account surplus at an annual rate of £1.5bn represented a reasonable out-turn for an economy in which the oil account has improved by £2¼bn at an annual rate, a reasonable compromise between sharing the misfortunes of the industrialised countries on non-oil account, and retaining a proportion of our oil income as saving at the national level. It is the sort of figure which would be consistent with well-balanced policies.

Quirks

In cold truth, of course, no such conclusion can be drawn from these figures. The current account has improved partly because of statistical quirks, including the ebb and flow of speculative silver bullion, and partly because the domestic recession is deeper than forecast, and has depressed the demand for imports.

The recent export volumes for finished manufactures offer some superficial comfort; in spite of a predictably weak performance by the car industry, the figures remain about 4 per cent above the volumes recorded in 1978 and 1979, and the terms of trade seem to suggest that the competitiveness of those engaged in the export trade has stood up much better than general considerations of costs and exchange rates would suggest. Alas, this is largely an illusion; export prices are constrained by competition, and reports of new orders suggest the volume performance is very vulnerable.

Objective

The figures, then, cannot be greeted as a reliable guide to the future, still less as a sign that the foreign balance is coming to the rescue of a depressed economy; but they remain a helpful illustration of the sort of balance in the economy that policy ought to hope to achieve in better circumstances. It is worth stressing why the current account is still a useful policy objective, at a time when our reserves appear more than adequate and the pound is generally regarded as too strong. Unless part of the growth of oil production goes to improve the balance of payments or to finance investment we are losing as much on net exports of other products as we are gaining from the North Sea.

The challenge for policy, then, is to achieve an internal balance in the economy in which a surplus of the size now glimpsed could reliably be expected at this stage of the cycle. The basic strategy has already been outlined in the Government's medium-term financial plan, in which the Government's own share of North Sea revenue will be applied for the most part to reduce public sector borrowing. This is itself a strategy for the balance of payments, which reflects the balance of total net saving and investment spending in the economy.

Public sector

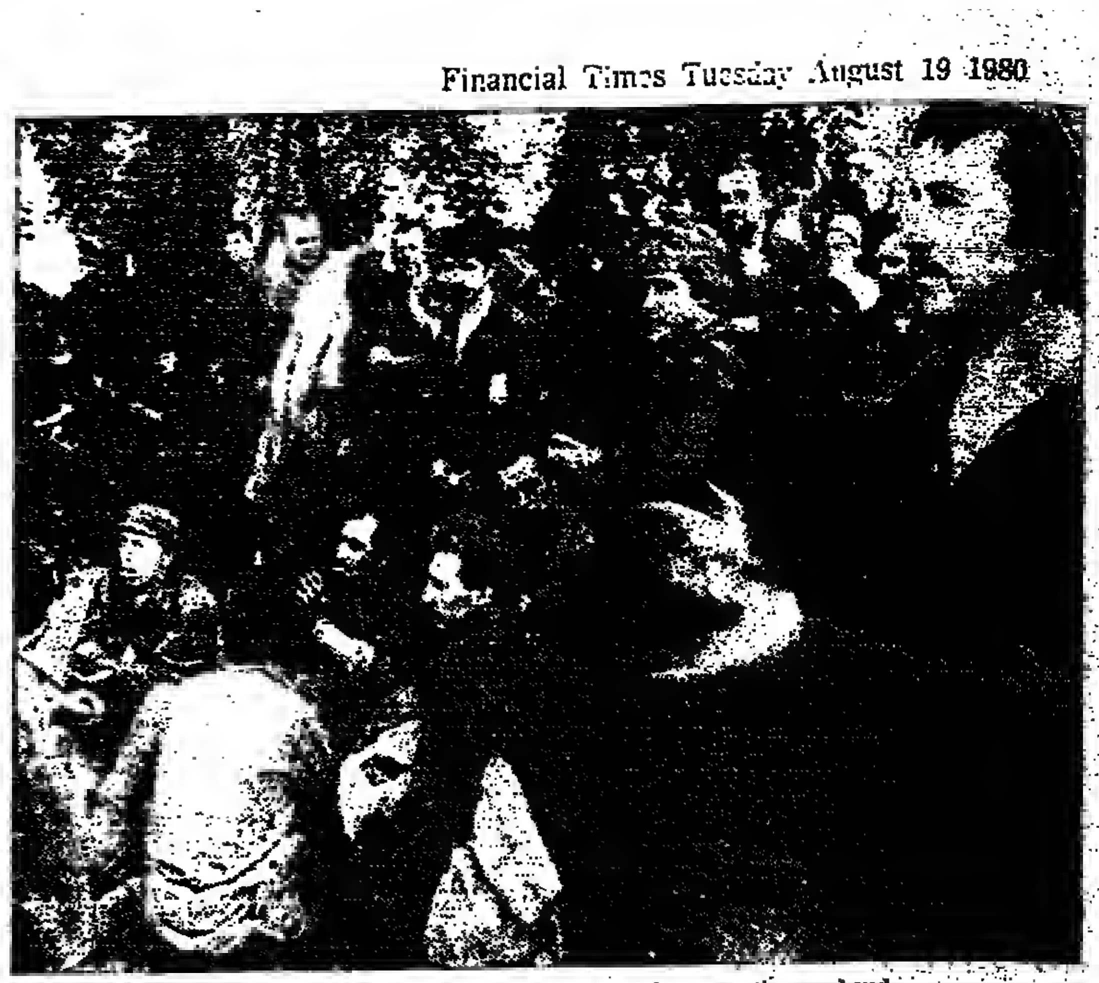
However, severe problems remain. First, public sector borrowing is starting from an excessive level—quite apart from the cyclical rise in welfare spending and fall in revenues now becoming evident. As we have repeatedly pointed out, high public borrowing with a squeeze on total credit does not stimulate the economy, but depresses it, through high interest rates and an excessive appreciation of the exchange rate. Attempts to solve this problem by pushing up public sector prices rapidly can pose more problems than it solves.

The need for an improved fiscal balance to stimulate the economy remains urgent.

It should also be pointed out that a sharp improvement in the current account tends to inflate the money supply, as at present defined—one among a number of crossed signal wires in the present system. The technical overhaul which is urgently needed since the corset debacle should give due attention to the trade dimension.

Polish strikers temper courage with caution

BY CHRISTOPHER BOBINSKI, recently in Gdansk



Shipyard workers in Gdansk at a meeting over the weekend.

IN A moving ceremony at the Gdynia shipyard on Poland's Baltic coast on Sunday, workers in grimy blue overalls received communion at a special mass. In his sermon the priest wished them "success in peacefully achieving their rightful demands," demands which have underlined the gravity of the crisis now facing the Polish leadership.

At the Lenin shipyard in Gdansk, a delegation of shipyard workers erected a seven-foot high cross at the place where a monument is to be erected to those who died in a bitter strike at the yard in 1970.

And over the weekend strikers from the other plants together with those from the Lenin yard set up an umbrella committee which began work on new demands which must have sent shivers down the spine of the authorities. For they went well beyond the original complaints about increased food prices and the sacking of activists.

"We explained to our management" a driver on the northern port strike committee said, "that there are two sets of issues: those that concern the nation and then our port and we're putting it like that because we won't solve the second before we get the first straight.

"The main thing at the moment is to start building an officially tolerated independent trade union movement here: if we get that out of these strikes then we'll have gained a lot.

"As for our other demands, we'll work for them in the future. Warsaw wasn't built in a day," said a young worker from one of the Gdansk shipyards with that quiet determination which presents such a formidable challenge for Poland's Communist authorities.

The issue which sparked off the stoppage at the Gdansk shipyard and led to the present strike wave, was relatively small. "It was the sacking of Ania Walentynowicz a woman crane driver involved with the free trades unions which did it," says one of the young men who marched round the shipyard on Thursday with a placard calling for a strike to get her reinstated.

"There was a handful of us who started it, we didn't really believe we could bring the yard out. We tried to get a strike going last month, when the meat prices went up, but it didn't work then," said the 25-year-old who has been at the shipyard since he was 16.

Until the sacking the Baltic ports, where strikes against food price increases led to the fall of the previous party leadership in 1970, had stayed calm. But by midday on Thursday, the strike at the Lenin shipyard, the largest works in the area, was total.

By Friday other factories in the area, muncipal transport, neighbouring shipyards and the ports had come to a halt.

Elected strike committees began to prepare lists of demands for wage increases and improved conditions and for better supplies in the shops. People connected with the small but lively dissident movement in Gdansk, some of whom were in the committee, put forward political demands which were supported by the workers.

The 200-strong workforce at the newly built "Northern" port of Gdansk, drew up a list of demands which started: "We want the government publicly to account for the situation in the country and to explain how the present state of affairs came about."

The tactic the authorities adopted was first to settle the strike at the Lenin shipyard—which the other factories look to for an example. Negotiations at the other plants were desultory while talks at the Lenin yard had by Saturday afternoon brought agreement on strike demands.

At that time the majority of strikers who had been occupying the yard since Thursday went home and left behind around 1,500 workers—the great majority of them young people who argued that since workers at other plants had still not won their demands, the Lenin yard should stay occupied.

If the authorities had managed to persuade everyone to leave the shipyard then it is possible that the strikes elsewhere would have collapsed. But they failed. The Gdansk shipyard stayed occupied as did the other industrial plants in the area. (Yesterday morning a few of those who had gone home went back to continue the occupation.)

But it was also clear from the committee's debate inside the main Gdansk shipyard conference hall, which went on into the early hours of Sunday morning, that a great measure of realism prevails.

Mr. Lech Walesa, a veteran of the 1970 strike committee, who has since become a leading figure in the dissidents' free trade union movement and is leading the present strike in the Gdansk shipyard, argued that the authorities must be left with room for manoeuvre. "Remember," he said, "we must leave them with a way out; after all, they're not that weak and they do have tanks at their disposal."

Mr. Bogdan Borusewicz, a member of the KOR workers defence committee, a human rights defence group set up in 1976, also argued for realism.

Thus a demand for the legalisation of political parties apart from the Communists, was voted down. "There are some things the authorities can't agree to," Mr. Borusewicz argued, the Soviets just would not stand for such political pluralism at present, "and we must not include the kind of demand which provoked them to invade Czechoslovakia."

All this is taking place against a backdrop of general discontent and fatigue throughout the country. People are tired of shortages in the shops, they feel that wages should be rising faster, and also they have had enough of shortages and disorganisation in industry and agriculture.

The strike in Gdansk seems to have the support of the local people. No one is complaining at the lack of public transport and the city is calm and there is no reason why the wave of strikes, which started at the beginning of July, should not spread elsewhere in the country.

The debate within the country's leadership is now concentrating on two issues. One is the search for a scapegoat. "People are now saying things and making charges which would have been unthinkable two weeks ago," said one source. Party activists at grass roots level, faced as they are by popular discontent, need someone to blame for the present situation.

The second issue which faces the leadership is what they can offer the people to get them back to work. The authorities are well aware of the dangers of making political concessions which could lead to a re-enactment of the Czechoslovaks' liberalisation which was crushed by Soviet tanks 12 years ago this week. On the other hand they know that changes will have to be made. Prime Minister Edward Babiuch's speech on Friday night offered little more than vague promises of economic reforms, and was designed to defuse tension.

However it annoyed many people by offering too little too late.

"What they have to decide now is whether they are going to carry on muddling through, or whether they will present radical new policies," said one party member with access to party headquarters. "And they know" he said, "that the use of force is out of the question in the present climate."

This is the most important difference between now and the strikes and street demonstrations in 1970 which lead to the deaths of many shipyard workers. Both workers and government understand that the problems have to be solved peacefully. No one is more aware of this than the young men at the shipyard who were scarcely teenagers ten years ago.

On past form all the authorities can promise are economic reforms, a determined fight against inequalities and injustice and an appeal to nationalist sentiments. They will also make gestures towards the powerful Catholic church. Whether this will be enough remains to be seen.

Until now the Church, in talks with the authorities, has been assuring them that it will do its utmost to maintain social peace in the country. But, at the same time, it has been telling them that they must do justice to the workers' demands and avoid using force at all costs. Last Friday, Cardinal Wyszynski, the Polish primate, told an estimated 150,000 people at the shrine of Czestochowa that the Polish nation was asking for its daily bread with dignity.

It seems likely that an agreement will be negotiated with workers in the Baltic ports and shipyards during the next few days. But for the young men in their working overalls, as they sit through the day in the sun near the main shipyard gate, decorated with flowers and crowded with relatives and well-wishers bringing them food from the town, the strikes are an experience and a lesson they will never forget.

The sick man of Eastern Europe

POLAND, AS the latest workers' unrest so dramatically demonstrates, is the sick man of Eastern Europe. Its agricultural system is knotted with problems. Industrial productivity is low, the centrally-planned economy is strained to bursting point.

The country has the most highly self-aware workforce in Eastern Europe: after riots in 1956, 1968, 1970 and 1976 they know the exact limits of their power but, more importantly, they also know the exact boundaries of the Polish Government.

The question is: Does the Government itself know these boundaries? The economic tactics of the leadership must cast some doubts. To some extent, the economic problems already evident under Edward Gierek's ill-starred predecessor Wladislaw Gomulka, have been aggravated by the present leadership's attempts at reform.

After Mr. Gomulka was toppled—following riots by Gdansk dock workers in 1970—Mr. Gierek made many promises, only a few of which have been kept. The reforms, much trumpeted, have merely highlighted these failures.

On taking power, the Gierek Government made substantial revisions in the agricultural system, as well as announcing two major reforms. The first was a so-called "small economic reform" which—unlike economic experiments in other Communist countries — was not really aimed at modifying the central planning apparatus. Rather, it strengthened Warsaw's hold on major industrial enterprises but at the same time gave some scope for initiative in key industries.

The idea was to increase, in Mr. Gierek's words, "Socialist equality." Efficiency was to be rewarded by pay increases. But the effect has been to increase spending power of some workers over others in the same plant, to create differentials and above all to raise consumer expectations which could not be met.

The second major reform was the recognition that foreign trade was an important method of economic progress. This led to a strategy of import-led growth with, above all, a boost in purchases of Western technology. But the strategy has failed, both because the economy is too centralised to adapt quickly enough to new technology—and thus improve productivity—and because Poland has simply not been exporting enough goods of high quality to Western markets.

As a result, Poland's debt with the West has crept up relentlessly.

Poland now needs to find $7.1bn to service its hard currency debt this year, of which $5.24bn will go towards repayments of principal. Its total hard currency debt at the end of last year was $19.4bn.

Against this, West Germany's recently announced loan of DM 1.2bn looks almost insignificant. Yet the bank credit—put together after considerable pressure from the Bonn Government—is of special symbolic value to the Polish Government.

Above all, it shows that the West still has confidence in the Polish leadership—a matter of extreme sensitivity to the Poles. Mr. Gierek's cancelled visit to West Germany would have pushed home the advantage and been used to demonstrate the strength of Warsaw links with the West.

Poland's dependence on the West has another, more favourable side. The West's interest in the stability of Poland—if only to protect its investment—has made Warsaw into a useful bridgehead between East and West. Poland is, of course, still firmly in the ranks of the Warsaw Pact and Mr. Gierek has lost no opportunity to make clear his loyalty to Moscow — but it has managed to carve out a role for itself.

As both West and East have a vested interest in the survival of the Polish leadership, so Warsaw has been able to play an important middle role, especially in arms control and disarmament. To some extent it is acting as a mouthpiece for Soviet interests when, for example, it calls (as it did recently) for an East-West disarmament conference or when it offered to be the venue of a meeting between President Valery Giscard D'Estaing and President Leonid Brezhnev.

The problem facing the West is whether it should take sides. Just as Warsaw has gained foreign policy influence through its foreign trade, so countries like West Germany — Poland's largest trading partner — must have some influence in the complexion of Polish affairs. Bonn wants stability in Poland—but at any price? The Soviet method of achieving stability would undoubtedly be to detain the intellectuals and thus block off the workers' contact with the Western world.

Stability in Poland may best be won through argument and careful concessions, and Mr. Gierek has already proved several times that he is capable of this. The establishment of free trade unions would be a radical step in this direction but it would be a way at least of institutionalising the conflict and easing the strain in labour relations. The Soviet Union will disapprove, but a Socialist country which tolerates a strong Catholic Church should be able to stomach another anomaly for the sake of stability.

Roger Boyes

MEN AND MATTERS

Southern discomfort

Albert Gubay was in short pants when Joe Louis outpointed his hero Tommy Farr in New York. But the 48-year-old memory rankles still. "Farr won," states the Welsh-born super-grocer. "It's an old, old story, but the only way you win over here is by knocking them out."

The truth of the adage has been brought forcefully home to Gubay, creator of the Kwick Save discount chain, who, discover, has been slugging it out for the past few months with the undisputed supermarket champions of the American Deep South.

Preceded by a reputation for powerhouse tactics earned in Britain, New Zealand and Ireland, this specialist in low-cost groceries sold from high-rise stacks in stripped-down stores landed in peaceful Salisbury, North Carolina, late last year. Now with five outlets open in the region, $25m invested, and plans for 30 to 40 more supermarkets to come, he is scoring well but has yet to wind up the round-house swipe that will floor the opposition.

In nearby Charlotte, Ted Law, president of the local Better Business Bureau tells me that he has had to polish up his selling tactics. "People down here," he says, "are not happy in bare-bone stores. They demand certain niceties."

"Niceties" apart, however, the Welsh venturer has found himself deeply embroiled in an unseemly brawl over the boastings of the competition. He scored well in round one when he took on Ralph Kettner, president of Food Town, in a radio phone-in argument over Kettner's slogan: "Lowest food prices in North Carolina." "They finished up swearing at one another," Law tells me.

And while Gubay acquitted himself fruitily in that slanging match, and is now testing Food Town's claim in the courts, he has run into wilier and more powerful opponents in the management of Kroger, the second biggest grocery chain in the States.

Disdaining direct confrontation with the man himself, Kroger cut its prices close to the newcomer's levels. "They gave me some stiff competition," admits Gubay, "but I found out that under anti-trust laws they cannot have one set of prices in one town and another set elsewhere."

The Attorney-General, however, does not seem to interpret the law in the same light. After early promising noises, he elected not to pursue Kroger. "What it boils down to," fumes Gubay, "is that they are not prepared to uphold their anti-trust laws."

And since the State Governor has refused to intervene on his behalf, plans are now afoot to rally support in Britain. The Governor, he says, comes up for re-election this October, and may be prompted into action by what Gubay hopes will prove to be the knock-out blow he has been struggling to produce.

"I will be writing to the British consulate in Atlanta and the Confederation of British Industry in London," he warns darkly, "and suggesting that British investors looking at the U.S. should avoid North Carolina. In the end justice will be done."

Store wars

As the world debates whether Tiny will bid or whether he will sell out to the Arabs in the next episode of the House of Fraser saga, I felt it would be opportune to make a progress report on "the other Harrods," — the one Middle Eastern businessmen want to build in the deserts of Saudi Arabia.

The £20m project is "not just a pipedream," I am assured by Phillip Morris, export director of City Industrial, the London shopfitter which hopes to realise the extravagant scheme.

The Anglo-Saudi froideur over Death of a Princess did little to help communications, says Morris, but the project remains on course. The outstanding problem to be settled is that of finance, but the anonymous entrepreneurs are apparently "very influential people." A

The intention is to replicate the Knightsbridge store right down to graphics and the famous canopies. It should also provide some useful extra custom for Harrods' existing suppliers, reckons Morris, since it will be stocked on lines broadly similar to those of its English inspiration.

There may, however, be a few copyright problems when it comes to choosing a name for "Everything, Jeddah." "There is," said the voice from Brompton Road, "only one Harrods as far as we are concerned."

". . . and if you see any French fishermen in distress . . . pelt them with lifebelts!"

Bru's birthday

The mystic powers of Irn-Bru, a soft drink which enjoys a reputation among the Scots for everything from curing hangovers to promoting longevity, could scarcely be better advertised than by the brawny six-foot-two-inch frame of Robert Barr, president of the company which makes the tipple. At 73, he remains an executive director of A. G. Barr, and "puts in a day as full of work as he did 40 years ago," his son Robin, chairman since 1978, tells me. "Mr. Robert" himself was not available for a chat, as he was out roasting an ox for today's celebration of the firm's 150th anniversary.

Mr. Robin displayed the caution which behoves the chairman of a public company when I quizzed him about his drink's properties. "I don't know whether to endorse them would be absolutely right," he mused, "but, if you believe Billy Connolly, it's the first thing for the morning after the night before."

Today's party will be held on the site of the original Barr works, where Mr. Robert's great grandfather started business life as a cork-cutter in 1830.

Though the Barrs are now outnumbered by non-Barrs on the board, the immediate family still controls some 30 per cent of the share capital, and heredity still rules perhaps the most important aspect of Irn-Bru. "What goes in by way of flavouring," notes Mr. Robin, "is a specially blended formula of fruit essences the contents of which are known only to my father and myself."

Slight snag

Sign on a market stall: "Sale—black nylon tights, 30p per pair. Last two days."

Observer

House-sellers in chains

Andrew Taylor looks at the state of the housing market, where supply is currently outstripping demand, and (right) considers the problems of those who need to move house in order to change jobs.

"HOUSE FOR SALE" signs have now been up for so long in parts of the country that they appear to have taken root. Some owners have even chopped down flag-boards in disgust at being unable to attract purchasers at prices which would have appeared perfectly reasonable 12 months ago.

Since Christmas, after two years in which prices rose 50 per cent and more, the market has turned against many sellers who are having to reduce asking prices in order to attract reluctant buyers.

Desperate

As a result sales are taking ever longer to complete as prospective purchasers use their strong position to bargain over prices and with owners still reluctant to reduce their expectations in line with changes in market climate. For some the position has become desperate.

But despite the particular problems of individuals, the market is by no means facing a general slump in prices as occurred following the 1972/73 boom. It is more likely that price rises this year will generally be kept to within a single figure percentage increase: still well below the expected 12-month inflation rate for 1980.

Sales, even when a purchaser is found, can become seriously bogged down because of problems further along the housing chain. A single deal can hinge on as many as eight transactions. Serious financial hardship has been caused by owners, towards the end of a housing chain, refusing to reduce their asking prices in order to facilitate a crucial sale.

Owners at the head of housing chains in the South East, and desperate to move, have paid sums of up to £1,000 to sellers further down the chain in order to free a log jam.

Private housebuilders have paid even larger sums to enable sales of new houses to be completed. Bairstow Eves, estate agents in Essex, say that some builders have paid up to £30,000 for a "second-hand house"—which they then have to resell—in order to break long-standing chains. It is a device which is increasingly being incorporated in builders' sales campaigns throughout the country.

For companies faced with record interest charges—on land bought at top prices during the past two years—the need for continuing cash-flow from new house sales is paramount. Hence the attractive mortgage subsidy schemes offered by the volume builders. Smaller builders are offering free cars in a bid to attract purchasers.

The buyer is presently faced with a wide choice of available properties at prices which have been declining in relation to the growth in average earnings since last autumn. Building society mortgages are also easier to obtain than for some considerable time. But the Catch 22 is that the main reason why mortgages are more readily available is that current rates of interest make them too expensive for many prospective purchasers even to consider.

Expectations

Mr. Robert Maunder Taylor, of Maunder Taylor, a North London firm of estate agents says: "In some cases prices now being achieved are lower than the same properties would have fetched 12 months ago. There are too many sellers chasing too few buyers and the problem is being exacerbated by sellers pitching their expectations too high which is delaying sales."

Agents to the south of London also report long delays in completing sales and sellers having to reduce prices. Mr. John Thomas of Baxter, Payne and Lepper of Bromley quotes a three-bedroom house in nearby Petts Wood which was put on the market for £34,000 at the beginning of this year and which has only just been sold at a price of £30,000.

"It is now taking up to six months on average from introduction to completion of a property sale compared with a normal period of around two months," says Mr. Thomas.

In some cases delays can be longer and with disastrous effect. One firm of agents quotes the case of an individual who completed the purchase of a country property at the beginning of this year on the basis of an agreed sale of his Finchley home.

At the last minute the prospective purchaser pulled out and seven months later the Finchley property is still on the market at a reduced price. Meanwhile the seller is still making payments on an expensive bridging loan to cover the costs of the two properties.

In the North East Mr. Peter Miller, of Storey Sons and Parker, of Newcastle, says that prices in the area have been on a plateau for about six months. Demand for special types of property remains strong, but there are problems in selling homes on modern estates with a wide range of properties available for buyers.

In Manchester, Mr. Howard Gooddie, of Longden and Cook, says that there are twice as many properties on the books as a year ago although very recently there have been signs of more "firm buyers." People who had difficulties earlier this year have now sold their homes and are looking for new properties.

Government figures published earlier this month show prices rising nationally by 6 per cent. But this masks the problems being faced in many parts of the market where because of the reluctance of existing home owners to move — unless it is essential to do so — sellers have been significantly reducing asking or real prices.

It is already clear that one of the most important influences on house sales for the rest of 1980 will be the cost and availability of mortgage finance. But the present position may not be much improved even if Minimum Lending Rate is further reduced this year.

The building societies' dilemma, if interest rates do fall further this year, will be to pitch their rates low enough to encourage borrowers, but not so low that there is insufficient funds coming into societies' coffers to meet this demand.

The problem is more difficult than normal given the complexitities of the present economic and interest rate climate. Even if the mortgage rate were to fall by 2 percentage points it would still be at a higher level than at any stage since the start of this year—and at a time when the Government is actively seeking to restrict the growth in wages.

Key ratio

Building societies regard the relationship between average earnings and average house prices as much more fundamental to house price performance than general movements in interest rates. One table in the accompanying chart shows how this "all important" ratio reached a peak in the first quarter of 1974 when average house prices stood at around 4.6 times average earnings.

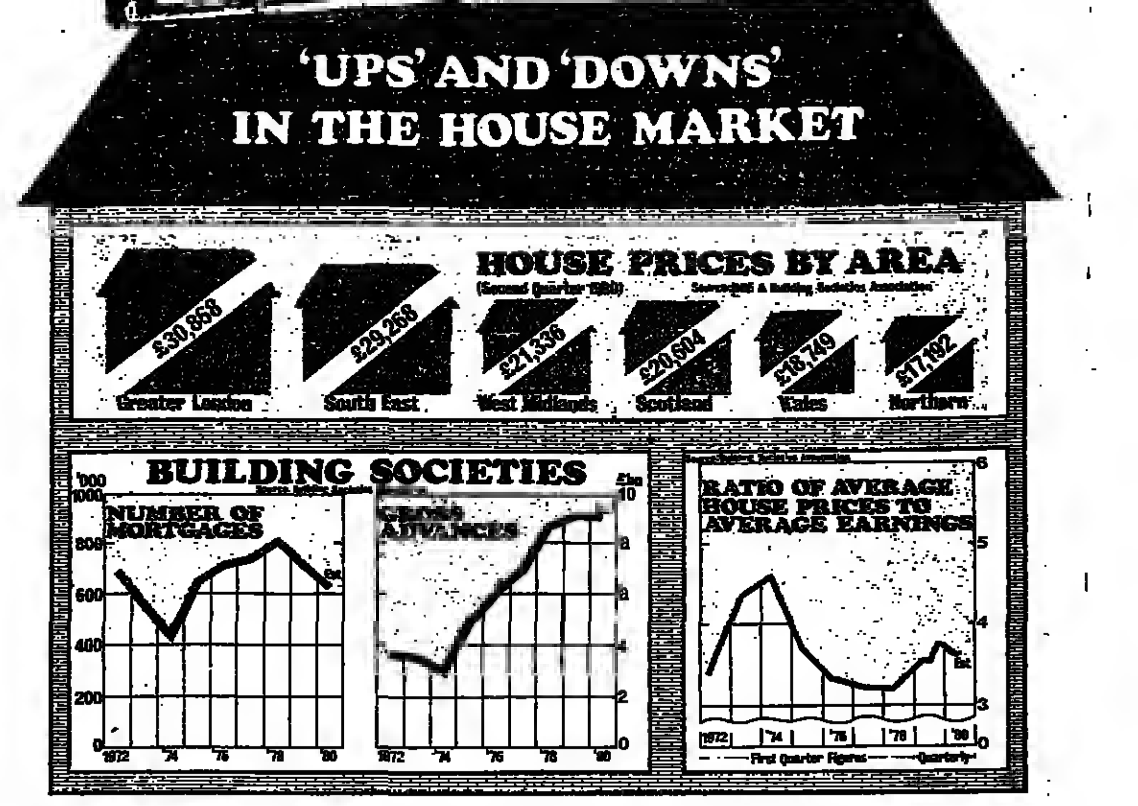
Following the collapse of the housing market in the mid-1970s the ratio of house prices to earnings began to rise again from the second half of 1978—reflecting renewed confidence in the economy and housing market. By the third quarter of last year average house prices were standing at almost 3.8 times average earnings.

Overtaken

Since then, the growth in house prices has been overtaken by wage increases and on the basis that house prices in a stable market should be around 3.3 times average earnings some further realignment from the present level of 3.6 times earnings might be expected.

Meanwhile societies face a further problem in that because of the sharp rise in house prices in 1978/79 they need to find more cash to make the same number of loans. On current projections societies expect to make gross advances of almost £9.1bn, only marginally less than was lent in 1979. However this level of funding is expected to finance only 637,000 loans compared with 715,000 last year.

The ultimate key to house price movements is the level of confidence people have in the economic future for themselves and the country. A decrease in the mortgage rate will undoubtedly assist the market, but until the general level of confidence improves price movements will remain sluggish. And many building society chiefs, private housebuilders and estate agents do not expect to see any significant pick-up in house prices until the spring of 1981 at the earliest.



WHEN Mrs. Thatcher suggested that workers unable to find jobs near their homes should move to areas where employment is available she neglected to say how home owners should raise the cash to overcome the sharp differences in house prices around the regions.

For some, redundancy payments will help bridge the gap, but for others a move may prove too expensive to entertain.

There is as much as £12,000 difference between the cost of an average home in Wales and in Greater London.

Many home-owners who are made redundant will find that it pays them to stay put and hope that some job will come along, rather than make an expensive move. They will rely on social security payments to cover the cost of mortgages, with building societies prepared in many cases to renegotiate loan repayments.

The biggest block to labour mobility remains the cost and availability of accommodation—a situation made worse by the massive retreat of the private rented sector.

It is a problem recognised by the Civil Service and clearing banks: both of which require their staff to be able to move around the country. On top of the cheap mortgages for staff, banks also provide various grants to help cover the cost of moving and fitting out new homes.

Civil Service allowances include one for excess rent, spread on a sliding scale over nine years, with a maximum payment of £855 a year payable in the first five years on a move to Greater London.

A married civil servant with two children would also receive a transfer grant of up to £1,200 to cover the cost of moving and new fittings. The Service pays all legal and estate agents fees.

In the corporate sector many companies will provide cheap loans to assist staff moving from regions where housing costs are low to more expensive areas.

But despite these various schemes—and higher wages associated with many moves—many civil servants, bankers and company executives will have to accept a lower standard of accommodation to move to the South-East, where the average cost of a house has risen by 24.3 per cent to £29,268 during the past 12 months.

For the average worker without the benefit of such schemes and perhaps with only a redundancy payment, the position is much worse. The Government in its new Housing Bill is introducing a number of measures to encourage greater labour mobility among council house tenants.

These schemes, however, do not ensure that there will be an adequate supply of accommodation in places where employment opportunities are greater.

Letters to the Editor

Gas costs for industry

From the Group Managing Director, Hickson and Welch (Holdings)

Sir,—As chief executive of a company primarily concerned with the manufacture of chemicals and whose principal subsidiary is a substantial user of gas for energy purposes, may I be permitted to comment on Mr. Waldegrave's letter (August 14) on the subject of gas prices.

Mr. Waldegrave avers that the evidence presented on European gas prices by the Chemical Industries Association and others is inconclusive. I do not know exactly what form of information is required to convince Government and politicians that European prices for gas are in many cases significantly lower than those applied to industry in the UK. I do know that many companies from the chemical and other industries have submitted positive evidence of lower pricing. Only too frequently, however, this information is said to be untypical. In a market embracing several countries and numerous industries it is impossible to pick out individual prices and say that these are typical. I am convinced, however, that the volume of evidence clearly shows that West European gas prices to industry and the terms of supply are overall more favourable than those applied in the United Kingdom and in these circumstances the industrial user has every right to expect a market competitive price from British Gas.

Mr. Waldegrave also raises the question as to why feedstock gas prices are left out of figures presented by the Chemical Industries Association and makes specific reference to the ICI contract. The vast majority of firms in the chemical and other industries use gas for fuel purposes and therefore it is the pricing for this purpose which is the prime concern of industry. In case anyone should be under the illusion that feedstock prices are in general at a lower level: I should mention that my company recently required a small quantity of gas for feedstock and was required by British Gas to pay a premium of some 35 per cent over the price we pay for steam raising, whereas in Europe feedstock prices are generally lower than those applicable to fuel uses.

The argument presented by Mr. Waldegrave is that "value" not "competitive prices" should be the basis of determining pricing policy by British Gas. In this context I would emphasise that gas like all other fuels should be subject to market factors. Value in a free market situation equates with what the customer is prepared to pay. The problem is that with the British Gas monopoly we are not in a free market situation. If we are to gear gas prices to oil it will be interesting to see whether British Gas responds to any weakening in oil prices by a corresponding reduction in the cost of gas.

Notwithstanding the Government's "courage" in raising domestic gas prices, the price for domestic gas is still well below that applied to industry and based upon the Government's present pricing formula will continue to be. Does the Government really wish to see a situation where manufacturing industry is being priced out of the market in order to subsidise the domestic user? My belief is that the average employee would prefer to see a sensible pricing policy to industry rather than face unemployment when a lower domestic tariff is of little solace.

Time is running out and in many cases companies are faced with the real problem of survival. Therefore, I exhort all concerned including Mr. Waldegrave to recognise the problem and take action before it is too late.

J. D. Horner,
Hickson and Welch (Holdings),
Castleford, West Yorkshire.

U.S. energy consumption

From Mr. D. Cope

Sir,—David Lascelles (Lombard, August 12) berates Europe for "carping criticisms" about levels of U.S. energy consumption. There undoubtedly have been some marked improvements in the patterns of U.S. energy consumption, mainly as a result of the decisions of millions of individual consumers and any visitor cannot help but notice how the energy conservation message pervades all areas of U.S. life in a way which compares favourably with public awareness in this country. David Lascelles, however, is unduly sweeping in his dismissal of some of the criticisms of current U.S. consumption patterns.

The U.S., along with Canada, remains in a world class of its own in per capita energy consumption related to per capita GNP and the international significance of this is accentuated because the U.S. is such a large proportionate consumer of total world energy production. The U.S. uses 33 per cent more energy per dollar of output than Sweden and a recent study suggests that the potential exists to improve overall U.S. energy use efficiency by as much as 15 per cent.

David Lascelles argues that the recent downturn in U.S. oil imports is not related to the impact of recession, but the evidence he offers is hardly convincing. Domestic production increases, as he notes, relate tenuously to recession.

In the medium to long term it is in the interests of all countries that the demands of the U.S. in world energy supply markets be reduced by declines in U.S. consumption and increases in domestic energy production. The question is what can be done by the U.S.'s friends in Europe to help to bring this about; maybe very little, but one contribution might be to demonstrate that acceptable living standards are possible without being locked into such high levels of per capita energy consumption. This role might better befall the high living standard countries of Europe such as the Federal Republic of Germany, Sweden and Switzerland rather than Britain.

Many features of life in the U.S. which give rise to such high levels of per capita energy consumption such as the low densities of urban development will take many years to be corrected by replacement processes but others such as the massive use of packaging and once-through containers and the size, amount of use and fuel consumption of cars could be adjusted more speedily. Clearly, carping should be avoided but quiet insistence that it is possible to enjoy adequate living standards on up to one-third less per capita energy consumption is a message which Europe should continue to relay across the Atlantic.

David R. Cope
(Lecturer in Social Planning for Energy and Planning Group),
Institute of Planning Studies,
University of Nottingham, Nottingham.

Gifts to Parties

From Mr. A. Shaw

Sir,—For a man who is a life member of this organisation, it might be thought that your correspondent Mr. Fialko's wording of a letter (August 11) ". . . a limited company named the League Against Cruel Sports actually gave the Labour Party no less than £80,000 . . ." was rather strange.

Further, he could have added that the executive committee's decision to support Labour as the only party to include the abolition of stag hunting and live hare coursing in its election manifesto was subsequently endorsed by the League's membership (which represents a cross-section of the electorate) in a postal ballot.

In contrast, members of companies which make donations to the Conservative Party are not afforded the privilege of directly expressing their approval or otherwise.

Arnold Shaw.
(Executive Member),
League Against Cruel Sports,
1, Reform Row, N1.

Woolies profits

From Mr. A. Donovan

Sir,—While Woolworth's half yearly profits have dropped by £16m its VAT payments for the same period have increased by £18m. Had the Government's share of its turnover not increased so dramatically, other things being equal Woolworth's would have made a bigger profit.

If in fact Woolworth's had used part of that extra profit to reduce its prices its turnover could well have been higher, generating more profit and perhaps enabling the tax collector to recoup out of the profits some of the foregone VAT.

And a higher turnover would presumably have generated higher employment further down the system. . . .

Alan F. Donovan.
Suffrons,
31, Stanhope Road, Croydon.

Limiting pickets

From Mr. R. Kimberley

Sir,—A South London employment office employs 24 people. Two are sacked so the rest go on strike and mount a picket line, presumably so that those seeking employment are prevented from doing so.

The police exercise their duty in deciding how many may reasonably constitute a picket line and a figure of six is established. The striking employees, the Civil and Public Services Association, and approximately 174 others led by two MPs decide to demonstrate and defy the police with the result that 18 persons are arrested for obstruction.

It is quite incomprehensible that two MPs and the representatives of an established trade union are prepared to behave in such an irresponsible manner. In no way can it be imagined that it takes more then six persons to peaceably persuade 22 not to work. Since all of the employees were out on strike there was no necessity to prevent customers entering, so one must wonder at the motives of any MP who deliberately defies the guardians of law and order.

Had the 174 others and the two MPs contested with the police in their anxiety to gain access to the office with the object of seeking employment, the motives would be better understood. This was not the case so it is quite clear that the sole object of the demonstration was to create a disturbance and they are now accusing the police of "provocative action." How feeble minded can they be?

The two "Honourable Members" and the rest of the demonstrators must surely be out of their minds if they really believe that practically the whole nation does not know full well where the "provocation" lies, and one can only gain comfort from the fact that they have done their cause more harm than good.

R. Douglas Kimberley.
26, Binney Street, W1.

Occupational therapists

From the Chairman of Council British Association of Occupational Therapists

Sir,—In her article "How to earn it" (July 12) Sally Watts suggested that it was difficult for qualified occupational therapists to return to practice after a period away. As most OTs are women, a period away from practice is not uncommon—for instance while raising a family. Admittedly during this period every year over 500 younger people will indeed have qualified but, as was highlighted in the report of the Royal Commission on the NHS, there is a tremendous shortage of qualified OTs throughout the country. Consequently every OT is needed and those returning are welcomed back. The thought of competition from younger therapists should not in any way inhibit older ones contemplating returning to practice. I would not like any OT to be deterred by Sally Watts' suggestion.

On August 2 Sally Watts refers to Anne Reeder possessing sewing skills. I just want to point out that in the three-year professional education, training in craft skills occupies a very small part. The emphasis is on the study of medical and professional subjects such as anatomy, physiology, psychology, psychiatry etc. and in clinical training in hospitals. A knowledge of crafts is needed only to instruct and help patients to perform specific activities perhaps designed to strengthen and improve their functional abilities or requiring particular hand/eye co-ordination. Modern treatment by occupational therapy rests on a medical scientific basis and is aimed at rehabilitating patients thereby enabling them to become independent again and to lead as full a life as possible.

B. E. G. Collins (Miss),
British Association of Occupational Therapists,
20, Rede Place, off Chepstow Place, W2.

Today's Events

Overseas: Lord Carrington, Foreign Secretary, starts official visit to Sweden (until August 20).

Australian Budget Day, Canberra.

President Videla of Argentina visits Brazil (until August 21).

International Fisheries Fair opens, Olso (until September 4).

Final U.S. trials for the America's Cup yacht race, Newport, Rhode Island (until September 12).

UK: Royal National Institute for the Blind statement on campaign for blind persons' allowance.

Education and Communication Technology Exhibition opens at Holland Park School, London (until August 21).

First national exhibition of Fibre Art, a newly formed group of professional artists working in fibre and related media, Roundhouse Gallery, Chalk Farm Road, NW1 (until September 13).

COMPANY RESULTS

Final dividends: Capital and National Trust. Jos Holdings. Meat Trade Suppliers. Restmor Group. Interim dividends: American Trust. Richard Clay. Dufay Bitumastic. London and Scottish Marine Oil. G. F. Lovell. Ocean Transport and Trading. Smith and Nephew Assocd. Companies. Woodhouse and Rixson (Holdings). Interim figures: Alexanders Holdings.

COMPANY MEETINGS

London and Midland Industrial, The Portman Hotel, Portman Square, W, 12. International Timber, Tower Hotel, St. Katherines Way, E, 12.

UK COMPANY NEWS

Royal Insurance rises to £62.4m in half year

INCREASED pre-tax profits of £62.4m, compared with £57m, are announced for the first half of 1980 by Royal Insurance Co. There was an underwriting loss of £15.6m against £11.1m in 1979 and investment income rose from £62.5m to £70.2m.

The effect of exchange rate changes was to depress investment income by £5.2m, where the underlying growth rate was 21.5 per cent, whereas the underwriting result benefited by £1.2m.

Similarly, although there was only an apparent marginal increase in premium income, the underlying growth was 7.2 per cent.

The interim dividend is being raised from 8.25p to 9.25p—the total last year was 21.5p paid from pre-tax profits of £131.5m.

Mr. Daniel Meinertzhagen, chairman, says it looks as though the group will be hard pressed to match last year's performance. However the good news for customers is that there are no further rate increases in the pipeline at present.

The group has put its share of the cost of Hurricane Allen at just under £2m. The chairman thought that damage, mostly to commercial property would cost the group around £1m in the U.S. and £3m to £4m in the Carribean.

However, Mr. Meinertzhagen estimates that the milder weather reduced weather damage by around £6m in the UK.

Underwriting losses in the U.S. increased from £7.5m to £12.8m and from £4.8m to £5.7m in Canada. Loss in Australia was £3.3m (£1.7m) and £2.2m against a £2.9m profit in other overseas countries.

However, the UK and Irish Republic recovered from a £1.1m loss to a £7.1m profit and the Netherlands profit was £1.3m (£1.4m).

In the U.S. the deterioration in the underwriting result is accounted for by the commercial business. There was an increased loss on workers' compensation and a turnround from a profit to a small loss on commercial multi-peril.

In personal lines there was an increased loss in homeowners, but in personal motor there was a reduced loss following a reduction in claims frequency.

In the UK, the milder weather helped both householders and personal motor lines where in each case there was a small underwriting profit. The commercial lines result overall was profitable.

In Canada, where the market continues to be intensely competitive, there were losses in most lines. The remedial underwriting and marketing actions which commenced in autumn, 1979 have been continued, the chairman adds.

The very difficult market conditions in Australia have continued and there was particularly poor experience in the property lines.

A satisfactory profit in motor in the Netherlands was partially offset by losses on the property and accident business. There were underwriting losses spread throughout most of the territories in which the group operates locally. However, there was a profit on overseas business written in the UK.

	Six months 1980 £m	1979 £m
General Insurance:		
Premiums written	647.6	647.2
Underwriting loss	15.6	11.1
Investment income	70.2	62.5
Long-term ins. profits	4.4	2.2
Associate profits	2.5	3.3
Profit before tax	62.4	57.0
Tax	26.1	23.1
Minorities	0.5	0.5
Attributable	35.2	33.4
Retained	21.9	21.0

Lex, Back Page

HIGHLIGHTS

Lex looks at the excellent balance of payments figures published yesterday but wonders how long the export momentum can be maintained. Lex also looks at the recent money supply statistics in the U.S. and, in the light of Wall Street's weakness yesterday, discusses the Fed's policies and their implications for the bond market. Finally Lex analyses the results from Royal as the composite insurance sector reporting season draws to a close. Elsewhere, the resigning auditors of Cope Sportswear have described the retrospective changes they asked for in the last report and accounts. Some indication of what land values in Malaysia have been reaching was given yesterday when Castlefield (Klang) announced details of a joint development on some of its commodity acreage.

Conder hit by steel strike

AS FOREWARNED at the last AGM, first half 1980 results of Conder International were severely affected by the steel strike. This disrupted production at the company, which erects steel-framed buildings, caused extra costs to be incurred and resulted in lost orders, including a major export contract.

For the six months pre-tax profits have fallen from £1.24m to £0.51m. But the directors say a good start has been made to the second half, with healthy order books and a sound cash position.

The company was made public in November 1979 and turned in record profits of £2.46m for that year.

Turnover for the first half of the current year rose from £43.5m to £53.4m. Tax took £95,000 (£106,000) and earnings per 25p share are stated at 8.7p (13.5p).

The net interim dividend is held at 3p—last year's total payment was 7p.

● comment

The impact of a steel strike on an erector of steel framed buildings never looked like being anything but very bad news. So when Conder reported a profits slide of a third in the first six months the share price only eased a couple of pence before recovering to close unchanged at 115p. The strike may be over but Conder is not looking set to show any major recovery in profits. Though the company says the current home order book is a little better than a year ago the outlook for the construction industry hardly inspires any confidence that orders will continue to look healthy. As for overseas orders, they are evidently a little down and with the strength of sterling it is hard to see that Conder will be able to fulfil the orders it has on very good margins. Say £1m pre-tax for the second half which points to a prospective p/e of 10.7 and if the dividend is maintained a yield of 8.9 per cent. The rating is hardly enticing but the market is very tight so shareholders are unlikely to see any appreciable weakness in their holdings.

Change Wares Board reshuffle

Change Wares, the wire mesh fittings group, which is estimating a loss of over £1m for 1979, has announced further boardroom changes. This follows the big reorganisation in January when Mr. Geoffrey Rose, the former chairman resigned along with five other directors.

Of the four directors which made up the board after those changes Mr. Harold Chaffe has been appointed chairman and Mr. Daniel Sullivan, of the U.S., has resigned. Mr. Mark Geraghty, a lawyer and resident of the U.S. has been appointed a non-executive director.

When the major board changes were announced at the beginning of the year the company said that it intended to appoint an independent chairman and a new managing director.

Nobody was available at the company yesterday to comment on the moves but Frazer Whiting and Co., the Company's auditors, said that the delayed accounts for 1979 were in the course of preparation.

The estimated loss for the year compares with a first-half profit up from £280,000 to £326,000—the total for 1978 was £615,000.

The shares, which were down to 4p last month, shed ½p to 6½p yesterday.

Vibroplant ahead to £3.8m: pays more

AS EXPECTED at midway when reporting a 29 per cent rise to £2.07m, Vibroplant Holdings has produced record pre-tax profits for the year ended March 31, 1980. The result is up from £3.17m to £3.82m on turnover of £14.1m against £11.16m.

Stated earnings per share are 48.5p compared with 33.83p and the final dividend is 9.28p lifting the year's total from 12.402p to 14.525p.

Principal activity of the Harrogate-based group is that of plant hire to the construction industry.

	1979-80 £	1978-79 £
Turnover	14,092,131	11,156,320
Profit before tax	3,816,954	3,172,489
Tax	906,546	1,142,713
Net profit	2,910,308	2,029,776
Dividends	639,100	495,080
Retained	2,271,208	1,535,596

● comment

The second half of the year is traditionally less lucrative than the first for Vibroplant, but the company was able to manage an 11 per cent pre-tax rise. The full year pre-tax profit increase of a fifth can be traced to better plant hire rates and a volume improvement in the 26 per cent turnover increase. The overdraft has risen from £1.7m to £2.6m but overall capital gearing is still less than 30 per cent. The total net dividend is up by 17 per cent, yielding 7.5 per cent at 285p, up 5p. The fully taxed p/e of 9 is probably about right for the moment but the shares should be well supported by the good growth record, strong cash flow and the hire sector's traditional recession-proofing.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purposes of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: American Trust, Richard Clay, De Beers Consolidated Mines, Ouley Bitumastic, Ouley Trenine, London Scottish and Marine Oil, G. F. Lovell, Ocean Transport and Trading, Smith and Nephew, Tiger Oats and National Milling, Woodhouse and Rixson.

Finals: Capital and National Trust, Jos Holdings, Kennedy Smale, Malaysiam Tin, Meat Trade Suppliers, Pestmor, A. J. Worthington.

FUTURE DATES

Interims—	
Abbey Panels Investments	Sept. 5
Allen Harvey and Ross	Sept. 11
BBA	Aug. 29
Blue Circle Industries	Aug. 27
British Petroleum	Sept. 4
Cement-Roadstone	Aug. 27
Charterhouse Group	Sept. 4
Early (Charles) and Marriott (Witney)	Sept. 12
House of Fraser	Sept. 2
Jacks (William)	Aug. 29
Lec Refrigeration	Aug. 22
Royal Worcester	Aug. 27
Finals—	
Boqod-Pelepah	Aug. 29
G.T. Japan Investment Trust	Sept. 18
Stocks (Joseph)	Aug. 26

Denbyware dividend cut as profit falls to £0.6m

DESPITE a much improved second half, Denbyware reports pre-tax profits down from £969,000 to £604,000 for the year ended March 29, 1980 and the directors are cutting the total dividend from 6.170548p to 4.1125p with a final payment of 2p (4.06p).

Mr. G. H. Robinson, chairman says the question of paying a final dividend was considered "very carefully indeed." It is clear that the group's cash resources are at a low level and the cost of cash shows only slight signs of reducing.

In the present economic circumstances it is very difficult for the group to improve substantially in the short term and a satisfactory outcome to the current year cannot be assured at present, the chairman adds.

Profits in the first half of 1979-80 had slumped from £319,000 to £51,000 but improved in the second six months to £553,000 compared with £650,000 in the same period of the previous year.

Turnover for the year was lower at £10.71m against £11.35m but after allowing for the sales of furniture in 1978-79, sales of pottery products showed an increase of 2 per cent.

Tax charge is £404,000 (£579,000) giving earnings per share of 4.65p against 9.07p. The heavy tax charge is due entirely to virtually all the profit being made in the UK in addition to which U.S. operations resulted in an overall loss.

Direct retail sales were disappointing but sales through "in-store" concession shops, site shops, and non-retail operations increased satisfactorily.

The group had a better year in Canada and sales increased, thus recording a small profit for the first time for some years. Sales in the U.S. were not good, and directors have taken considerable steps in the U.S. to reorganise both the administrative and the sales functions.

At present sales in both Canada and the U.S. are showing increases over the same period last year.

Sales in other export markets were not good, with the exception of France, and the competition from cheaper imports from the Far East is difficult to overcome, the chairman says.

In the U.K. efforts have been made to improve the cost-effectiveness of operations, and in the process it was necessary to declare a redundancy of 230 people.

The performance of the 50 per cent owned associate, International Ceramics increased considerably over the previous year, a reflection of improved turnover, efficiency and sales from their products to the aircraft industry which is currently going through a major re-equipment and new engine growth phase.

	Year 1979-80 £000	1978-79 £000
Turnover	10,709	11,346
Profit	730	1,259
Interest	476	358
Associates' profits	350	68
Profit before tax	604	969
Tax	404	579
Net profit	200	390
Extraordinary debit	—	106
Dividends	177	265
Addition to reserves	23	18

● comment

Denbyware produced the anticipated poor preliminary results yesterday and the shares plunged 10p to 65p only to recover to 73p by the end of the day. At that level, they trade at 15 times reported earnings, which suggests they may be reflecting more than the company's current prospects, such as the possibility of a takeover bid. Crown House raised its interest in Denbyware to 29.98 per cent a year ago. Denbyware is suffering from the fall in consumer spending and destocking by retailers. Borrowings rose about £0.5m to finance increased stocks, and stood at an uncomfortable 78 per cent of shareholders' funds at the year end. The Canadian subsidiary has shown its first small profit since being set up five years ago but the U.S. subsidiary is still in loss. Although exports account for 35 per cent of sales the company may have to look carefully at the benefits of direct distribution unless performance improves soon. Fortunately, the 50 per cent owned associate, International Ceramics, is enjoying one of the aerospace industry's periodic booms. It contributed more profit last year than pottery. The group does not expect much improvement this year and it faces redundancy costs of perhaps £400,000 after laying off nearly 20 per cent of the workforce. The yield is a modest 8.5 per cent.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Charles Baynes ......int.	0.4	Oct. 3	0.4	—	1
Blagden & Noakes int.	3	Oct. 6	3	—	7.7
Conder Intnl. ......int.	3	—	3	—	7
County and District ...	1.17	Oct. 1	0.85*	1.76	1.17*
Denbyware	2	Oct. 13	4.06	4.11	6.17
English Assen.	15.13	Nov. 14	14	20	18.88
S. Heath	17.5	Sept. 26	16	17.5	16
‡Impala Platinum	65	—	24	109	34
R. P. Martin	3	—	1.5	4.5	3
Royal Insurance ...int.	9.25	Jan. 5	8.25	—	21.5
Security Centres Hldgs.	0.6§	Oct. 30	—	1§	0.5
W. N. Sharpe ......int.	3	Oct. 24	2.5	—	6
Vibroplant	9.28	Oct. 13	7.98	14.52	12.4

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and or acquisition issues. ‡ South African cents throughout. § For 15 months.

Blackwood Hodge Canada down

Blackwood Hodge (Canada), a subsidiary of Blackwood Hodge, the earthmoving equipment concern, reports net profits down from C$1.55m to $467,000 after tax of $177,000 against $283,000 for the half year to June 30, 1980. Turnover rose to $68.07m compared with $63.32m.

Directors consider the figures disappointing and, in view of the continuing recession and high interest rates, say the rate of earnings for the full year is unlikely to be much better. However, the company's financial position remains strong and its organisation is ready to take advantage of any improvements in the economy.

Stated earnings per share fell from 64 cents to 19 cents.

OIL AND GAS NEWS

Lesueur No. 1 to be deepened

BY STEPHEN THOMPSON

The participants in the Lesueur No. 1 well located in the Bonaparte Basin of Australia's North West shelf and around 84 km south of the Tern gas field have decided to deepen the well by around 30 to 40 metres. The well is currently at 3,558 metres. A drill stem test of the increased depth will then be made.

Australian Aquitaine Petroleum are the operators of the well and have a 40 per cent interest, while the Hartogen consortium holds 45 per cent, Alliance Petroleum 7.5 per cent and the Montauk consortium 7.5 per cent.

Other news from the down-under oil and gas scene concerns the spudding (commencement of drilling operations) of three new wells.

The Beanbush No. 1 well in South Australia's Cooper Basin, and 63 miles north of the Moomba gas plant, has a planned total depth of 3,950 metres and the drilling costs are being met by Western Mining, as to 37.5 per cent, and South Australian Oil and Gas Corporation, 62.5 per cent.

Interests in the well comprise WMC, 37.5 per cent, Santos, 28.57 per cent, Delphi Petroleum, 17.14 per cent, Vamgas, 6.25 per cent, and South Australian Oil and Gas, 10.53 per cent. Flinders Petroleum has a non-contributing 10 per cent production share in the WMC holding.

In Queensland's Surat Basin, Hartogen Energy has spudded the Kincora 21 well to test the Jurassic sands and determine whether the oil find in Kincora 18 extends northward. Kincora 18 flowed at a daily rate of 430 barrels of oil.

Finally Santos announces that a third well to determine the extent of the Dullingari Murta oil accumulation in South Australia has been spudded.

The well, designated Dullingari No. 7/DM3, is located 3 km south-south west of Dullingari No. 5/DM1 (previously known as Dullingari Murta No. 1).

SHARE STAKES

Estate Duties Investment Trust: Commercial Union Assurance now has a total interest in 6.27m shares—7.03 per cent.

More O'Ferrall: Mr. E. R. More O'Ferrall has sold 694,000 shares and Lady Elizabeth More O'Ferrall, 200,000 shares representing a total interest of 7.27 per cent.

Horace Cory: Mr. P. L. Kohnstamm, director, acquired a further 50,000 shares and now holds 28.96 per cent.

Kunick Holdings: Mr. Patrick Goode, and Mr. Guan Lee Wee have joined the board and have acquired 100,000 and 50,000 ordinary respectively from Mr. N. Tsiattalou. These shares were issued to Mr. Tsiattalou as the balance of the consideration for the Kalina Fashions.

James H. Dennis and Co.—J. J. Mundell, director, has acquired an interest in 106,650 shares making total 227,650 (9 per cent).

Prince of Wales Hotels—L. Strelitz has acquired 258,560 ordinary (6.38 per cent); B. Clayman has disposed of 12,500 ordinary reducing holding to 196,499 (4.85 per cent).

Francis Parker — Electra Investment Trust is interested in 1.59m ordinary (6.19 per cent).

Allied Plant Group—Bishopsgate Nominees (The South Yorkshire Pension Fund) has acquired 100,000 shares at 32p, bringing total holding to 800,000 (5.33 per cent).

Kwik-Fit (Tyres and Exhausts) Holdings—On August 7 A. L. R. Morton and J. A. Merritt, both directors, each sold 200,000 shares; on August 11 W. A. Stenson sold 48,000.

Marshall's Universal — J. A. Oliver has sold 59,000 non-beneficial ordinary.

Howard Tenens—P. E. Morris, director, has sold 20,160 shares.

James Finlay and Co.—Alliance Assurance Co. has acquired 30,000 4.2 per cent preference shares (6 per cent).

Rentokil—The spouse of E. M. Buchan, director, has disposed of 63,000 ordinary.

Brownlee and Co. — Globe Investment Trust has acquired 280,000 shares making holding 524,000 shares (7.39 per cent).

Mercantile House Holdings—Edinburgh Investment Trust has increased its holding to 390,000 shares (6.64 per cent).

Culter Guard Bridge Holdings—Industrial Equity (Pacific) are now interested in 570,000 shares (7.63 per cent).

Metralrax (Holdings)—C. K. Coombs has disposed of 150,000 shares leaving holding 1,893,074 shares (9.62 per cent).

Rush and Tomkins Group—W. Tomkins has disposed of 65,000 shares.

LONDON TRADED OPTIONS

Option	Ex'rcise price	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	Equity close
BP	350	80	18	32	—	50	—	348p
BP	390	10	2	25	1	—	—	"
Com. Union	140	27	11	31	37	36	—	162p
Com. Union	160	10	—	17	150	23	—	"
Cons. Gold	550	33	15	45	3	67	—	521p
Courtaulds	70	3½	—	6½	—	9½	50	65p
Courtaulds	80	2	—	3	3	—	—	"
Courtaulds	90	1	30	2	—	—	—	"
GEC	360	146	2	162	—	—	—	429p
GEC	460	56	6	76	—	92	—	"
GEC	500	29	82	50	—	72	—	"
Grand Met.	120	39	—	43	10	—	—	156p
ICI	390	7	5	17	10	29	—	366p
ICI	420	2	14	—	—	—	—	"
Marks & Sp.	100	4	2	12½	—	17	—	101p
Marks & Sp.	110	4	75	7½	—	11½	87	"
Shell	360	58	3	72	—	—	—	416p
Shell	480	24	16	40	—	52	—	"
Totals			221		194		57	
		August		November		February		
Imperial Gp.	70	11	—	13½	3	16	—	80p
Imperial Gp.	80	2	10	7	13	9½	—	"
Imperial Gp.	90	½	—	3	15	5½	—	"
Lonrho	74	21	—	26	—	30	16	94p
Lonrho	84	11	—	18½	15	23	3	"
Lonrho	94	4	—	12	152	17½	—	"
Lonrho	104	1½	—	8½	16	13	3	"
Lonrho	114	½	—	5	7	9	10	"
P. & O.	120	8½	—	16	8	18	—	127p
P. & O.	130	3½	10	9	—	18	—	"
Racal Elec.	240	40	—	51	1	64	—	279p
Racal Elec.	260	20	2	37	3	48	—	"
Racal Elec.	280	5	—	24	11	38	—	"
RTZ	360	107	1	125	3	142	—	464p
RTZ	420	47	1	73	—	23	—	"
RTZ	460	9	32	42	2	63	—	"
RTZ	500	2	—	18	6	38	—	"
Totals			56		249		32	

Blagden & Noakes profits drop 25.6% to £2.1m at midway

PRE-TAX profits of Blagden and Noakes (Holdings), dropped by 25.6 per cent from £2.82m to £2.1m for the 25 weeks ended June 22, 1980, following a rise to a record £5.65m in the previous year.

Mr. T. K. Noakes, chairman, says the greater part of the first-half fall arose in the steel drum area—manufactured and reconditioned drums and casks profit was £1.04m (£1.66m)—and for the last month of the steel strike new drum production was virtually stopped.

"In view of the recession that is now with us, it is too early to predict what the final results for the year will be," he states.

Earnings per 25p share are given as 8.3p (9.7p) and the interim dividend is maintained at 3p net—last year's final was 4.7p.

Turnover for the year improved from £29.77m to £31.11m and profits, which included associates' share of £4,000 (£7,000), were struck after a £164,000 (£120,000) debit which comprised of interest paid, less received, and income from investments.

Mr. Noakes says the group's other important market "which has been understandably weak throughout 1980" is that for plastic automobile components which accounts for the fall in profits from that side.

There was, however, a satisfactory level of trading from the chemicals, and protective equipment divisions, he adds.

The group recently acquired, for £500,000, 76 per cent of Cargill Blagden—formerly held by Cargill Inc. of the U.S.—and specialises in the manufacture of resins.

	25 weeks 1980 £000	1979 £000
Turnover	31,111	29,774
Drums and casks	17,026	16,249
Plastics, plating transformers	6,198	5,835
Chemicals	6,387	6,297
Protective, elect. equipment	1,502	1,393
Trading profit		
Drums, casks	1,037	1,662
Plastics, plating	736	848
Chemicals	242	209
Protective, elect. equipment	240	222
Holding co. expns.	—	11
Interest	164	120
Associates	4	7
Pre-tax profits	2,095	2,817
Tax	796	1,222
Minorities	414	561
Attributable	885	1,034
Dividends	312	319

● comment

A steel strike and a chemical industry recession were bound to take their toll on Blagden's profits. However the comparable period was hit by the transport strike, which wiped close to £500,000 off profits, so the market was only predicting a modest slide this time round. In the event profits fell a quarter and the shares shed 9p to 113p. The drum side was the hardest hit. The steel dispute caused obvious problems and Blagden was looking forward to the second quarter for a recovery. But the chemical multinationals defensively switched their filling to Europe and actually ended the steel strike overstocked in the UK. Even when current destocking is over there is little hope for any major improvement in drum demand because of the problems the chemical industry faces. One positive spin-off from the industry's difficulties is Blagden's owne chemical trading operation, which is benefiting from the buoyancy of imports. Looking to the second half the plastics side will get a fillip from the Ford replacement for the Escort—for Blagden it is worth £6 a car or some £1½m extra turnover for a full year and Cargill Blagdon will be fully consolidated. Nevertheless the year's profits are unlikely to be much more than £4.2m, indicating a fully taxed p/e of around 8½ and yield of 10 per cent on an unchanged dividend. Yesterday's price reaction was probably enough to equate with lower profit expectations.

SPAIN

August 14	Price %	+ or −
Banco Bilbao	246	
Banco Central	248	
Banco Exterior	212	
Banco Hispano	224	
Banco Ind. Cat.	120	
Banco Madrid	141	
Banco Santander	276	
Banco Urquijo	139	
Banco Vizcaya	236	
Banco Zaragoza	215	
Dragados	104	+1
Espanola Zinc	63	
Fecsa	63	-
Gal. Preciados	24	+0.5
Hidrola	68.2	+0.5
Iberduero	61	−0.2
Petroleos	112	
Petroliber	87	
Sogefisa	107	
Telefonica	58.5	
Union Elect.	68	+0.5

R. Martin comes back in second six months

SECOND HALF profits of R. P. Martin and Co., surged from £236,112 to £710,000 and enabled this foreign exchange and currency broker to finish the June 30, 1980 year well ahead at £878,000 against £524,000—a rise of 86 per cent.

And the current year has started well, directors state.

Turnover for 1979-80 expanded to £6.96m compared with £5.15m, and from earnings of 11.52p (6.66p) per 5p share the final dividend is increased to 3p (1.5p) net making a 4.5p (3p) total.

Impressive advances were achieved in the group's money broking activities in London, New York, Toronto, Bahrain and Hong Kong, and in the lease broking subsidiary.

The directors say that one factor contributing to the profits increase was Martin's ability to exploit the particularly active trading conditions prevailing in the early months of 1980.

Following reorganisation and management changes, the group's New York office achieved a substantial improvement in its performance and, for the first time, made a small contribution to group profit for the full year.

Profits included other income of £69,000 against £56,000 and were subject to tax of £499,000 (£373,000), minorities interest £3,000 (nil), and after an extraordinary debit, last time, of £1,000, the attributable balance came through up from £150,000 to £476,000.

Dividends' cost was £186,000 compared with £124,000 leaving £290,000 (£26,000) retained. Retained profits carried forward were £874,000 (£599,000).

Overseas associates' results were included to June 30, whereas previously they had been included six months in arrears—comparatives have been restated increasing the retained profits carried forward for 1978-79 by £82,000.

It was announced yesterday that Tandour Co. Inc. has disposed of its entire holding of 413,000 shares (10 per cent) in Martin.

● comment

Few people noticed the beginning of a turnaround in R. P. Martin's fortunes at the interim stage but the year-end results confirm that the money broker has at long last put right its New York expansion. However, the 86 per cent pre-tax profit again is due mainly to the frenzied activity of foreign exchange markets in London in the months following the abolition of exchange controls last November. London still accounts for about three-quarters of turnover and pre-tax profit in Martin's second half trebled. London brokers have yet to feel the effect of direct dealings in foreign exchange and currency deposits which have been permitted between banks and corporations since the first of the year. With its worldwide coverage, Martin should be able to withstand tougher competition if markets ever become quiet again, but the experience of the past few years suggests that the speed and volume of foreign exchange transactions tend mainly to rise. After two years of scarcely covered dividends, Martin has restrained the increase this time to 50 per cent, at which the payout is covered 2¼ times. The shares gained 2p yesterday to reach an annual high of 63p at which point the yield of 10.7 per cent and the p/e of 5.2 provide room for further appreciation.

Security Centres exceeds forecast

AGAINST A forecast of £189,000 Security Centres Holdings, the alarm systems company, turned in a pre-tax profit of £201,000 for the 15 months to March 31, 1980. Turnover for the period was £920,046.

Directors say the profit forecast—made at the time of the company's requotation in July 1979—has been exceeded despite the fact that a very large security contract, which was anticipated last year, was delayed by Government cut-backs. This contract has now been awarded and will be reflected in the current year's results which should show a further substantial increase.

After tax of £34,141, against £9,255 in the previous year, a pre-acquisition profit of £47,402 (nil) and minority interests of £70,402 (£37,000), the attributable profit balance for the period was £49,025 (£17,954).

Earnings per 10p share were up at 2.84p against 0.51p. Net total dividend is 1p (0.5p) by a final of 0.6p.

S. & U. experiences slowdown in growth

A SLOWDOWN in growth is being experienced in the current year by S. and U. Stores, Mr. Derek M. Coombs, chairman, tells members in his annual report. Turnover is just peaking over last year's level, he says, but rising costs are a constant problem and he declines to make a specific forecast for the 12 months.

Profits last year totalled £863,000 (£884,000), but this did not include an exceptional profit of £303,000 relating to the recovery of some credit sale and hire purchase debtors previously written off. The collections from these debtors, which were originally running at the rate of £½m per annum, are progressively slowing down and the directors do not believe there will be any significant contributions from that source this year.

The gearing of the company is improving and the percentage of overdrafts and loans to shareholders' funds less goodwill has fallen from some 130 per cent in 1978/79 to around 85 per cent in 1979/80. Net borrowings in 1979 were £3.63m in relation to shareholders' funds of £2.75m; net borrowings in the year under review fell to £2.98m and shareholders' funds increased to £3.55m.

Mr. Coombs points out that, while this trend is encouraging, interest generally has risen from £479,000 to £561,000 and this plus interest-free directors' loans which have now risen to £645,000 explains the directors decision not to recommend even a part restoration of dividend at this time. The board's priority is to establish a gearing ratio which ensures a sound basis of trading for the future, members are told.

At January 31, 1980, the consolidated balance sheet shows net assets ahead from £3.29m to £4.24m. Its improving strength is further evidenced by a turnround from net current liabilities of £836,000 to net current assets of £796,000.

During the year the consumer credit companies performed satisfactorily, reports Mr. Coombs. A small trading profit was made by the retail cash trading sector and the manufacturing companies. However, a loss on manufacturing of £149,000 arising from additional interest costs on the overdrafts of Swallow Raincoats (now closed) had to be absorbed into other group companies. This will not be repeated in the current year, the chairman states.

Of the company's ordinary shares, Serjeants' Inn Nominees holds 17.05 per cent and Arandaville Investments and Redgate Securities both hold 5.68 per cent. Scottish Amicable Life Assurance Society holds 11.39 per cent of the cumulative participating preferred ordinary.

A statement of source and application of funds shows a net inflow of cash of £795,000 (£282,000) during the 12 months.

MOSS ENGRG.

Farrer Wallwin International has been formed by Moss Engineering to combine and extend the expertise of six group companies in world environmental control markets.

The existing Moss environmental companies will continue to trade individually as manufacturers in their traditional areas.

W. N. Sharpe turns in £2.14m despite tighter margins

PRE-TAX profits of W. N. Sharpe Holdings, the Bradford-based greeting cards manufacturer and distributor, rose from £2.06m to £2.14m in the six months to June 30, 1980. Turnover was higher at £7.28m compared with £6.96m.

The profits were boosted by investment income amounting to £103,865 against £67,625.

The Board says that in arriving at these results it has been necessary to make certain assumptions about stock values which, because of the seasonal nature of much of the company's business, cannot be as accurately assessed as at the end of the year's trading.

Cost inflation has not been fully matched by price increases during the period, and this has resulted in a small sacrifice of trading profit margins. The trading surplus was £1.94m compared with £1.99m. The Board says the size of the turnover increase has been constrained by rather difficult trading conditions which still continue.

After tax up from £1.08m to £1.12m, stated earnings per 25p share improved from 13.6p to 14.1p, and the interim dividend is raised from 2.5p to 3p—last year's total was 6p from pre-tax profits of £4.39m.

● comment

Given the severity of the recession in the greeting cards business, Sharpe has done well to keep its head above water at the half-way stage. Trading profits were off slightly, but tripled investment income produced a 4 per cent pre-tax rise. Positive cash balances will probably provide the sole stimulus in the current year, because trading shows little indication of making much progress. Sharpe can take some comfort in the fact that its cards are at the upper end of the market and so it is not exposed to cheap imports from producers such as the Soviet Union. But it seems unlikely that year-end profits will differ much from last year's £4.4m, suggesting a prospective p/e of 8 on a full tax charge. The interim dividend is up 20 per cent and a total net for the year of, says, 7p would yield just 4.3 per cent at 236p.

shareholders on the London Register and holders of convertible stocks, provisional allotments have been accepted as to some 94 per cent. Shares not taken up have been placed through the market with the underwriter.

Acceptances have been received in respect of 21,280,797 ordinary shares representing approximately 99.75 per cent of the issue by Ferranti.

The balance of 52,535 shares has been sold at 390p and net proceeds amounting to 288p per share, will be distributed to holders entitled thereto.

After tax up from £143,987 to £246,113, stated earnings per £1 share are 67p compared with 56.09p, and the final dividend is raised from 14p to 15.125p for a total of 20p (18.875).

Pre-tax profits after six months had increased from £77,340 to £218,200.

RIGHTS RESULTS

Lonrho announces that preliminary results of its rights issue indicate that, in respect of

C. Baynes little changed

PRE-TAX PROFITS for Charles Baynes, the hacksaw blades manufacturer, showed little change at £209,466, compared with £211,484, for the half year to June 30, 1980. Turnover increased to £1.06m against £1.04m.

Tax took £108,922 (£109,972). Earnings per 10p share were down at 2.85p compared with 2.88p and the interim dividend is held at 0.4p net. Last year's final was 0.6p.

The directors say that with the deepening recession severely curtailing industrial activity, prospects for the remainder of the year are not bright and it will be difficult to match last year's level of profits.

Estimated CCA pre-tax profit is shown at £167,822 (£173,860).

English Association passes £0.5m

An increase of £148,260 to £529,682 in pre-tax profits is reported by the English Association of American Bond and Share Holders for the year to June 30, 1980. The previous year's figure of £381,222 included an exceptional dealing profit of £134,436.

The board says the current year has started satisfactorily and believes that further progress will be achieved.

County & District advances

AFTER TAX of £112,860 against £78,506, earnings available of County and District Properties advanced from £635,238 to £721,101 for the year ended March 31, 1980.

Earnings per 10p share are shown as 4.81p compared with 4.23p and the dividend is effectively increased to 1.7556p (1.1704p) net, with a final payment of 1.1704p, and will absorb £263,340 (£175,560).

Turnover for the year moved ahead from £1.25m to £1.4m.

At midway after-tax profits were £272,000 (£268,000) and the directors anticipated further improvement in the second half.

As at March 31, shareholders' funds stood at £23.66m against £21.71m.

The directors recommend that shareholders accept the 190p per share offer which is being made by Costain Group.

Foreign and Colonial pace may slacken

Following its advance from £4.74m to £6.53m in the first half to June 30—reported on August 8—Foreign and Colonial Investment Trust Company says that the revenue reflects good dividend increases from many of the company's holdings and the high returns currently available on fixed interest securities.

But, the board adds, it should not be expected that this rate of progress will continue in the second half.

As known, the interim dividend was increased from 1p to 1.25p. Last year's total payment was 2.95p.

S. Heath down to £406,000

AFTER falling from £355,000 to £180,000 in the first six months, Samuel Heath and Sons finished the March 31, 1980, year with taxable profits down at £406,000, compared with £602,000.

At midway the directors said that second-half results should show some improvement and be closer to those of the same period in 1978-79. In the event they amounted to £226,000, against £247,000.

Turnover of this brass and other metal products manufacturer rose slightly to £2.9m (£2.8m), and the dividend is lifted to 17.5p net per 50p share, compared with 16p.

After tax charge of £169,000 (£175,000) net profits came through at £237,000 (£427,000).

Standard Life Pensions Funds at £175m

SUBSTANTIAL growth in funds under management is reported by Standard Life Pensions Funds, the pooled managed fund subsidiary of Standard Life Assurance Company. These had grown to £175m in aggregate by May 13, 1980, the end of the last financial year.

The property fund had a very good performance with the unit price rising 25 per cent over the year, and the value of the fund standing at £57.7m at the end of the year.

The fund acquired 17 properties during the year, of which seven were development projects. The property portfolio amounted to £44.2m, spread 31 per cent shops, 29 per cent offices, 32 per cent industrial and the remainder in developments.

The managers point out that they will be taking a slightly more cautious attitude towards new developments in the next 12 months.

The mixed fund of equities and fixed interest declined slightly in value from £113.2m to £112.6m, with the unit price falling 4.3 per cent.

More emphasis was placed on fixed interest securities which accounted for 44 per cent of the portfolio, against 34 per cent at the beginning of the year.

The equity and fixed interest funds both remained extremely small. The equity fund fell in value from £5.2m to £3.6m.

Allnatt hopeful of exceeding £6m next time

MR. LESLIE SMITH, chairman of Allnatt London Properties expects pre-tax profits for the current year to exceed £6m, against £5.19m last time. In his annual statement, he says the outlook for the company is satisfactory, although the immediate prospects for the nation's industry generally can now only be considered as gloomy.

"But," he adds, "I believe, and earnestly hope, that our present Government is, at last, pursuing the policies which have been deferred for too many years."

He also expects rents receivable to be about £8m in 1980-81—this would show an increase of over £1.5m. Interest receivable will be down by more than £300,000, he adds.

The amount of development which the company has in progress continues to be satisfactory. It is, however, a sad reflection, he says, on the times that, in the short-term, it could earn more for its shareholders by placing surplus funds on deposit than by using them for further developments.

"The company's function, however, is not that of a bank and it will continue to use its resources to add to its permanent assets."

The chairman anticipates the rent roll to approach £8.5m at the year-end, against just over £7.5m, and that retained profit will be sufficient to take reserves to over £11m (£9.1m).

As known, pre-tax profits for the year to March 31 were up from £4.34m to £5.19m. Shareholders' funds, at that date, amounted to £19.12m (£17.45m). Balances at the bank total £51,429 (£73,347).

Meeting, Winchester House, 100, Old Broad Street, EC, September 4, at noon.

RESULTS AND ACCOUNTS IN BRIEF

D. F. BEVAN (HOLDINGS) (metal merchant, casting and general engineer)—Results for year to March 31, 1980, already known.—Shareholders' funds £2.58m (£1.99m): bank overdrafts and acceptance credits (secured) £1.13m (£416,000); loans £255,000 (£215,000). Chairman thinks first half will be disappointing in relation to the progress achieved over the past few years. But remainder of the year may well show improvement but is impossible to quantify. Meeting, Midland Hotel, Birmingham, September 12, 2.15 pm.

GOLD FIELDS PROPERTY COMPANY—Dividend, 10 cents (6 cents) for year to June 30, 1980. Gross income (R000) 4,136 (3,147). Pre-tax profit 2,637 (1,535). Tax 892 (542). Earnings per share 19.0 cents (8.7 cents). Since year-end, company has disposed of its subsidiary—Athlone Mansions (Proprietary).

WHEELER'S RESTAURANTS (oyster and fish restaurant chain)—Results for year to March 31, 1980, reported July 23 with chairman's report on current trading. Group fixed assets £1.37m (£1.25m). Net current assets £185,950 (£232,018). Meeting, Brighton, on September 2, at noon.

MANN EGERTON AND CO. (motor retailing and industrial subsidiary of Inchcape group)—Results for year ended March 31, 1980, reported July 29. Shareholders' funds £27.66m (£27.7m). Loan capital £5.25m (£5.89m). Bank loans and overdrafts £4.9m (£6.46m). Meeting, Norwich, September 15, 10.30 am.

RIGHTWISE (plantation holding company, a subsidiary of Jaratite Holdings)—Results for 1979 reported August 12. Group fixed assets £1.69m (£1.35m). Net current assets [illegible] (£374,423).

Meeting, Great Eastern Hotel, EC, on September 5, at 11 am.

INCHCAPE AND CO. (international trading group)—Results for year to March 31, 1980, and prospects reported in full preliminary statement on July 29. Shareholders' funds £238.09m (£229.53m), loans from bankers £232.78m (£213.45m), other short-term loans £14.17m (£16.02m), balances with banking subsidiary £6.07m (£4.11m), other bank balances and cash £74.04m (£55.38m). Chairman warns that the effect of escalating oil prices on the economies of Third World countries without oil is leading to restrictions on the group's activities there. Meeting, Baltic Exchange Chambers, EC, September 5, at noon.

CARRINGTON INVESTMENTS—Turnover for year to March 31, 1980, £625,000 (£555,000). Pre-tax profit £34,000 (£65,000). Tax £20,000 (£29,000). Extraordinary credit £169,000 (£89,000), transferred to reserves. Earnings per 50p share 0.2p (2.3p). No dividend (2.4p).

NMC INVESTMENTS (fibreboard containers)—Results for year ended March 31, 1980, already known. Shareholders' funds £897,071 (£912,038). Bank overdraft £25,194 (£96,803). Meeting, 25-35, City Road, EC, September 4, 2.30 pm.

HOLLAS GROUP (yarns and fibres processing)—Results for March 31, 1980, year reported July 10. Shareholders' funds £6.4m (£5.75m). Loans £470,000 (nil). Bank overdraft (secured) £1.55m (£2.17m). Meeting, Altrincham, Cheshire, September 10, 11 am.

COWAN, DE GROOT (electrical wholesaler, toy importer and distributor)—Results for year to April 30, 1980 already known. Shareholders' funds £11.88m (£10.49m): bank overdrafts £3.53m (£1.88m). Meeting, Abercorn Room, EC, September 8, noon.

CREST INTERNATIONAL SECURITIES (investment holding company)—Loss for year to March 31, 1980, £6,177 (£183,205 profit) after extraordinary debits, £17,891 (£179,960 credit). Accumulated losses at year-end, £882,898 (£876,721). Total shareholders' funds, £321,645 (£327,822). As known Angliana has agreed to acquire 382,250 Crest ordinary and 2.16m preferred from Amarana Holdings Inc.

MURRAY NORTHERN INVESTMENT TRUST—Results for year to May 31, 1980, already reported. Investments, £21.82m (£25.83m). Unrealised capital gains, £8.31m (£9.87m). Realised capital gains, £5.18m (£6.58m). Meeting, Glasgow, September 8 at 10.30 am.

MAGNET AND SOUTHERNS (joinery, doors, ancillary products)—Results for year to March 31, 1980 already known with prospects for current year. Shareholders' funds, £77.33m (£65.52m). Long term borrowings, £2.55m (£2.95m). Short dated investment securities, £7.9m (£4m) with market value, £8.04m. Bank overdrafts, £4.7m (£1.72m). Meeting, Manchester, September 18 at noon.

CHARLES BOOTH AND CO. (property development)—Result for 1979 already known. Shareholders' funds £719,955 (£481,433). Short term bank indebtedness (secured) £164,292 (£77,359). Directors are confident of effectively maintaining dividend for current year. Meeting, Red Lion Square, WC, September 5, 10.45 am.

MINING SUPPLIES (mining machinery, forgings, castings)—Results for year ended April 26, 1980 reported July 25. Shareholders' funds £8.55m (£7.16m). Loans £2.32m (nil). Bank overdraft £213,274 (£1.37m). Historic pre-tax profit £3.31m (£2.27m) reduced on CCA basis to £2.46m (£1.74m). Meeting, Doncaster, September 8, noon.

ELECTROCOMPONENTS—Results for March 31, 1980 year reported June 27. Shareholders' funds £20.57m (£15.17m). Historic profit of £13.05m reduced to £11.29m on CCA basis. Chairman says continued growth in the immediate future can be achieved; overall increase in sales so far this year is encouraging. Meeting, Great Eastern Hotel, EC, September 8, noon.

POLYMARK INTERNATIONAL (supplier of machinery to laundries, garment manufacturer)—Results for year to December 31, 1979, already known. Shareholders' funds £4.44m (£3.91m); loans £1.21m (£558,575); cash in bank and balances £151,939 (£556,945); bank loans and overdrafts £2.14m (£1.49m). Meeting, Jeddo Road, Shepherds Bush, W. September 18, 3 pm.

C.S.C. INVESTMENT TRUST—Net revenue, half year to June 30, 1980, £45,332 (£42,660) after tax £22,136 (£23,863). Net asset value 147.8p (118.5p).

MFI FURNITURE GROUP—Results for 53 weeks ended May 31, 1980, reported July 23 in full preliminary statement with chairman's remarks on prospects. Including Status Discount group's balance sheet shows: Shareholders' funds £34.34m (£19.25m); loans £951,000 (nil); stock £37.88m (£20.27m); balances at bank and short-term deposits £253,000 (£2.3m); short-term borrowings £15.25m (nil)—bank loans £4.67m, bank overdrafts £7.59m and £3m acceptance credits. Historic pre-tax profit of £16.77m (£13.98m) reduced to £16.47m (£13.56m) on CCA basis. Meeting, Wembley, Middx., September 25, noon.

Castlefield in plan for big Selangor development

Castlefield (Klang) Rubber Estate, which has extensive rubber and palm oil interests in Malaysia, is pressing ahead with its property development ambitions.

Yesterday it announced plans for the formation of a new joint venture company which will pay £7.25m for Klang's 1,900-acre rubber estate at Selangor, near Kuala Lumpur.

Klang will own 30 per cent of the new company, to be called Castlefield Development: for this it will subscribe up to £885,000. The remaining equity will be held by a company controlled by a prominent Malaysian property developer, Datuk Syed Kechik. His company, Kamoulan Syed Kechik, will subscribe up to £2.95m for its 70 per cent.

Apart from this initial injection of capital, Development's funding will be through bank loans and cash generated internally.

The payment to Klang for the estate is to be phased over three years. Only 10 per cent of the purchase price has already been paid.

It is envisaged that the estate could finally comprise 30,000 housing units, a shopping centre and community facilities plus an industrial estate. Development intends only to provide the infrastructure and organisation for the development, leaving actual building to owners of the individual plots.

The scheme has yet to be submitted for planning approval as it has to be passed first by shareholders and the British Treasury and then by the Malaysian Foreign Review Board.

The deal will be submitted to shareholders for their official approval but it appears already to have won the crucial tacit support of Harrisons and Crosfield. Interests within the H and C stable account for 56.4 per cent of Klang's equity.

The market yesterday approved the deal sending the shares of Castlefield Klang to 500p, up 20p.

The £7.25m price tag put on the estate compares with a book value in the last accounts to June 1979 of £228,000 and a trading return of £23,000 on a turnover of £261,000.

Castlefield Klang's main estate, which is unaffected by the deal, is at Kukit Benut where some 3,150 acres are planted with oil palms and 2,000 with rubber.

Yesterday Castlefield Klang's advisers, Robert Fleming, which is recommending the deal, said that Castlefield would continue to regard itself as a plantation company.

However, there is some doubt whether the expected profits from the property deal will be able to be ploughed back into plantations over the development period.

"In the absence of investment opportunities at the time," the company says, it would consider proposing "some form of distribution to shareholders when the net total proceeds of the estate have been received."

SKETCHLEY

As part of its rationalisation plans for its Greaseaters subsidiary Sketchley, the dry cleaning, industrial workwear and textile finishing group, is withdrawing from the business of manufacturing and servicing degreasing machines.

Safety-Kleen Parts Washer Service of Isleworth, Middlesex, is to become the approved servicing organisation for Greaseater machines which have been installed.

K10 STILL ACTIVE IN SHARE PURCHASES

The Kuwait Investment Office has been active in the market in the last few days, further building up stakes in Chubb and Son, Muirhead and Harrisons and Crosfield, and replacing shares in Burmah Oil sold in February.

The investment institution now owns 6.2m shares in Chubb; 654,000 (7.7 per cent) in Muirhead; 3.17m (5.4 per cent) in H. and C.; and 7.9m (5.5 per cent) of Burmah.

The largest purchase was 225,000 shares in Burmah. In February the KIO sold 150,000.

PENTOS STAKE

Westpool Investment Trust and the Rayne Foundation have completed the acquisition of shares and convertible loan stock in Pentos, the publishing and industrial group.

Westpool subscribed a total of £3.8m for 4m ordinary and 1.1m deferred ordinary shares and £1.1m of new 13 per cent convertible loan stock. The ordinary and deferred shares represent holdings of 9.6 per cent and 12 per cent respectively.

WOLF TOOLS

The offer by Dobson Park Industries to acquire Wolf Electric Tools (Holdings) is now unconditional, and remains open.

Acceptances received amount to 91.71 per cent. Dobson now owns or has acceptances totalling 96.11 per cent of Wolf.

Borthwick talks on NZ meat interests

Thomas Borthwick and Sons, international meat trader, is engaged in talks with a New Zealand company which could result in a change of control of the group's meat interests in that country.

Dr. Bill Bullen, chairman of Borthwick, said yesterday that the group started formal discussions last week with the Canterbury Frozen Meat Company, of Christchurch, concerning the future control of the group's slaughtering and processing interests in New Zealand.

Dr. Bullen said he has been very keen for some time to increase local involvement in the group's New Zealand interests.

The chairman said that the group hoped to have something to say about the talks at the end of the week. Borthwick, which has trading links with Canterbury Meat, handles most of the New Zealand lamb supplied to the UK market. Canterbury Meat represents Borthwick's principal investment with a 25 per cent stake in its NZ$6.55m equity.

Earlier this year Borthwick, which showed a loss of almost £1m in the first half of 1979-80, announced the termination of a project to rationalise its New Zealand interests. Under this plan the group's Waingawa works were to have been sold to a new company, with Borthwick—CWS (a jointly owned processing company) taking in the group's Waingawa, Fielding and Waitara works taking up some 38 per cent of the new company's equity.

Last week it was reported that New Zealand company, Waitaki NZ Refrigerating, may be a potential bidder for the group's New Zealand interests. Dr. Bullen said yesterday that he had not had any contact with Waitaki.

CONS. GOLD FIELDS

Anglo American Corporation of South Africa and De Beers Consolidated Mines have restructured the controversial 25.8 per cent holding in Consolidated Gold Fields so that each company now owns half of the stake.

Because De Beers has more than a third of Anglo's voting power it is, under the Companies Acts, deemed to be interested in the entire 25.8 per cent stake.

TRUSTS' STAKE IN CITY OIL

The Alliance and Second Alliance Trust Companies yesterday announced that they hold a 57.15 per cent stake in City Oil Exploration, a private company participating in the Seventh Round of North Sea licence applications. The principal other shareholder is N. M. Rothschild, with a 28 per cent holding.

City Oil has a 10 per cent interest in a consortium managed by Union Oil of Great Britain, a subsidiary of Union Oil of California.

SCOTTISH OFFSHORE

Scottish Offshore Investors, through its Dutch subsidiary Scottish Offshore International, has taken a 25 per cent interest in Kinergetics Incorporated. At a cost of U.S.$200,000, it has subscribed for 8,234 new $1 shares.

Kinergetics, which is based in Southern California is engaged in developing and manufacturing components and subsystems for the support of advanced underwater manned operations.

Scottish Offshore Investors is a vehicle for institutional investment in unlisted companies providing services and equipment to the offshore energy industry. It is managed by James Finlay Corporation.

CHARTERHOUSE JAPHET

Charterhouse Japhet and certain associates have sold Business and Career Publications and Computing Publications to Verenigde Nederlandse Uitgeverijen Bv for cash. The publications produced sales of £1.7m in 1979.

Jardine on reasons for Glanvill purchase

Jardine Matheson Insurance Brokers has outlined its reasons for the recent £11.65m purchase of Glanvill Enthoven and Co., the insurance broking subsidiary of the Charterhouse Group.

Mr. Simon Keswick, chairman, said that the operating strengths of the two companies were complementary. "Glanvill has a larger share of U.K. business and of marine and international non-marine business, while Jardine has a larger share of reinsurance both in London and internationally."

He added that Jardine Matheson had a wider representation of local offices in the Pacific basin which Glanvill Enthoven's existing offices will strengthen.

He said that the newly merged group intended to strengthen its presence in American markets.

It is planning to announce in the next few weeks a joint venture with Fred S. James of the U.S., the world's sixth largest broker, in Hawaii to develop that local market.

Jardine said yesterday that the merger of the two groups had effectively trebled Jardine's brokerage income. Combined, the brokerage income of both concerns stands at £20m on total premiums of between £220m and £240m.

Jardine said that its business from the U.S. was nominal before the merger but now the combined volume of business stands at around 7 per cent.

Mr. Keswick added: "We hope the new group can eventually join that elite band of mega-brokers."

WARD BLENKINSOP

The offers by Shell Petroleum for Ward Blenkinsop have been accepted as to 95.1 per cent of the ordinary and deferred, and 99.4 per cent of the preference capitals. The offers remains open.

NO PROBE

The proposed acquisition by Scottish and Newcastle Breweries of certain assets of Thorn EMI is not be referred to the Monopolies Commission.

SHARE STAKES

Inter-City Investment Group—N. T. Harari now has a beneficial interest in 494,667 ordinary (5.3 per cent).

House of Fraser—Following the allotment of 1.11m ordinary to the trustees of the House of Fraser Group profit-linked share plan for employees, and sales and transfers to participants of 6,073 shares, the trustee interest of C. Willoughby, director, is 2.28m shares.

Leaderflush Holdings — I. S. Dunn, director has become beneficially interested in 30,000 ord. and B. C. McDougall, director, has become interested in 15,000 ord.

Staveley Industries — W. Fieldsend, director, has sold 30,000 ord.

Murray Caledonian Investment Trust—As a result of the purchase of 500,000 ord. the National Coal Board staff superannuation scheme and the mineworkers' Pension Scheme jointly hold 3.36 ord (6.2 per cent).

Avenue Close—J. Julius, director, has sold 30,000 ord.

Victoria Carpet Holdings—J. H. H. Anton, director, has purchased 37,000 ord.

Town and City Properties: Mr. P. H. Gimson, director, has sold 70,000 ordinary shares.

Guthrie Corporation: Mr. J. C. Hogg, director, disposed of 50,000 shares from his non-beneficial holding.

EUROPEAN OPTIONS EXCHANGE

Series		Sept. Vol.	Sept. Last	Dec. Vol.	Dec. Last	March Vol.	March Last	Stock
GM C	$50	—	—	2	8⅞	—	—	$57¾
GM C	$60	12	1¼	—	—	—	—	"
		Oct.		Jan.		April		
ABN C	F.280	1	44	—	—	—	—	F.326
ABN C	F.300	5	26	7	36.50	—	—	"
ABN C	F.320	16	6.50B	21	3	4	11.50	"
AKZO C	F.22.50	36	1.30	3	2.30	43	2.50B	F.22.90
AKZO C	F.25	59	0.50	20	1	3	1.40	"
AKZO P	F.28.50	20	0.40	—	—	—	—	"
AKZO P	F.35	35	1.90A	—	—	30	3.30	"
AMRO C	F.60	7	9.30	—	—	—	—	F.69
AMRO C	F.65	63	5.70	—	—	—	—	"
AMRO C	F.70	31	0.90	50	1.70	15	2.60	"
KODA C	$50	5	5⅞	—	—	—	—	$63¾
KODA C	$70	6	1	—	—	3	5⅜	
HEIN C	F.55	3	3.20	—	—	—	—	F.57.60
HEIN C	F.60	—	—	24	3.90	—	—	"
HOOG C	F.17.50	5	0.50	3	1	—	—	F.16.50
HOOG C	F.20	10	0.20	—	—	—	—	"
IBM C	$65	11	5⅝	—	—	—	—	$68¾
IBM C	$70	5	3	—	—	—	—	"
IBM C	$75	4	⅞	—	—	—	—	"
KLM C	F.60	31	7	—	—	—	—	F.67
KLM C	F.70	1	2.30	3	2.80	—	—	"
KLM C	F.80	2	0.60	—	—	—	—	"
KLM P	F.60	6	1.70	—	—	—	—	"
KLM P	F.70	36	6	—	—	1	10	"
NATN C	F.110	5	7.30	—	—	—	—	F.117
NATN C	F.120	15	1.70	4	3.50	—	—	"
PHIL C	F.17.50	74	0.80	79	1.30	20	1.80	F.17.80
PHIL C	F.20	155	0.20	60	0.30	24	0.70	"
PHIL C	F.28.50	31	0.10	—	—	—	—	"
PHIL P	F.17.50	88	0.70	10	0.80	—	—	"
PHIL P	F.20	77	2.20	70	2.60	14	2.50B	"
PHIL P	F.22.50	12	4.50	—	—	—	—	"
POLA C	$30	—	—	3	2⅛	—	—	$27⅞
OLIE C	F.150	8	21.80A	—	—	—	—	F.171.50
OLIE C	F.170	—	—	6	7.20A	1	9.80	"
OLIE C	F.180	25	1.50	—	—	22	4.30	"
OLIE P	F.150	73	2	21	3.60B	—	—	"
OLIE P	F.170	85	7.20A	—	—	—	—	"
ATT C	$50	10	3¼	—	—	—	—	$52⅞
UNIL C	F.120	1	4.50	—	—	1	6	F.122.80
UNIL C	F.130	—	—	30	1.20	—	—	"
UNIL P	F.120	10	1.50	—	—	—	—	"
		Nov.		Feb.		May		
BOEI C	$35	10	4	—	—	—	—	$36¾
BOEI C	$40	6	2	—	—	—	—	"
SIEM C	DM.280.50	33	7.20	—	—	—	—	DM280.50
SIEM C	DM.300	—	—	3	4.50	—	—	"
SLUM C	$120	20	17½	—	—	—	—	$135
SLUM C	$140	14	4¼	3	7½	—	—	"
VW C	DM.170	10	6.60	—	—	—	—	DM172.50

TOTAL VOLUME IN CONTRACTS 1813

C=Call P=Put

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Australia signs uranium deals worth A$2bn

BY GEORGE MILLING-STANLEY

LONG-TERM CONTRACTS have now been signed for the sale of uranium oxide worth over A$2bn (£985m) from the Ranger deposit in Australia's Northern Territory. The deal is one of the largest export sales ever recorded at one time for a single commodity by an Australian company.

The deals, covering the sale of some 34,000 short tons of uranium to West German and Japanese customers, were signed by Energy Resources of Australia (ERA), reports James Forth from Sydney. This company was set up by Peko-Wallsend and EZ Industries, the two Australian companies which together own 50 per cent of Ranger, to acquire the Federal Government's 50 per cent interest in the deposit.

The West German companies involved are Rheinisch - Westfaelisches Elektrizitaetswerk, Urangesellschaft and Saarberg-Interplan Uran, with a total of 20,000 short tons between them. The Japanese buyers are the power utilities Kansai, Kyushu and Shikoku and the major trading house C. Itoh. They will receive a total of about 13,500 short tons.

Between them, these companies will take a combined 25 per cent stake in ERA, with Peko-Wallsend and EZ Industries taking 30.5 per cent each and 14 per cent going to the Australian public. The prospectus for the public issue of shares in ERA is expected to be available later this year.

Mr. Douglas Anthony, Australia's Deputy Prime Minister, said yesterday that the contracts marked the advent of Australia as a major supplier of uranium to the world market.

Together with deals already arranged with other Japanese, South Korean and U.S. buyers, the contracts account for around 84 per cent of the Ranger project's expected initial production of about 3,000 short tons a year.

The uranium oxide will be delivered over 15 years, starting in 1982. Mr. Anthony said that negotiations on bilateral nuclear safeguards between Australia and Euratom and Japan were well advanced.

Metal prices boost Impala

SOUTH AFRICA'S Impala Platinum, part of the General Mining Union Corporation group, has exceeded nearly every market forecast by increasing its final dividend from 24 cents a share to 65 cents, making a total of 100 cents for the year to end-June against 34 cents last time, writes Des Killalea from Johannesburg.

The platinum boom, which meant that Impala and other producers were able to lift their price from U.S.$350 to U.S.$420 per ounce last year, gave the company net attributable profits of R119.19m (£88.7m), an increase of 68.7 per cent over the previous year.

Mr. Ian Greig, the chairman, who is to retire, said yesterday that consumption for industrial purposes and for Japanese jewellery have been falling over the past eight months, but the higher price more than offset this. He added that he expects only a marginal improvement in profits during the current year, in line with a slight increase in demand from the U.S. motor industry.

During the past year, Impala's capital expenditure amounted to R52.4m and boosted production by 20,000 ounces to 870,000 ounces. The company plans to spend R40m this year on lifting production to 975,000 ounces.

Some R12m has also been earmarked to proceed with a cobalt recovery plant, due to come into production in 1982. This plant is expected to make a "small but not insignificant" contribution to earnings.

Impala shares gained 6p to 340p on the London Stock Exchange last night.

Meekatharra coal reserves

THE LATEST test reports from Meekatharra Minerals' coal prospect in South Australia's Arckaringa Basin indicate reserves of at least 700m tonnes of coal, the company said yesterday. The most recent drilling tests cover only 2 per cent of the prospect's 5,148 sq km area.

Meekatharra believes the coal to be sub-bituminous, and therefore suitable for power generation and conversion, and said that the seams are about six metres thick at a depth of around 150 metres.

The prospect covers two licence areas, EL 587 and EL 591, north of Coober Pedy and either side of the new all-weather railway line from Tarcoola to Alice Springs. Earlier this year, the company announced a A$250,000 (£123,000) exploration programme for steaming quality coal.

S. AFRICAN GOLD OUTPUT FALLSN

In line with widespread predictions of a fall in South African gold production this year, latest figures from the Chamber of Mines reveal that output so far this year has fallen by 3.3 per cent to 12.78m ounces.

For the month of July, the Chamber's figures show that production was slightly ahead at 1.91m ounces compared with last July's figure of 1.89m ounces. July's output was also a little ahead of the figure of 1.88m ounces for June of this year.

ROUND UP

Bralorne Resources of Vancouver has reached agreement with EB Explorations of Calgary to explore and develop the Bralorne gold property about 100 miles north of Vancouver, reports John Soganich from Toronto. The Bralorne mine closed in 1971, and its partner, the adjacent Pioneer mine, in 1960. Current reports suggest accessible reserves of about 150,000 tonnes of ore, grading about nine grammes of gold per tonne.

* * *

Vogelstruisbult, the Consolidated Gold Fields group's base metals investment company, is paying an unchanged interim of 5 cents (2.8p). Net profits for the first half of 1980 amounted to R1.66m (£929,000), or 10.9 cents per share, compared with R1.61m a year ago and the 1979 total of R3.78m. The company expects higher revenue in the current half-year.

APPOINTMENTS

COMPANY NOTICES

ALGEMENE BANK NEDERLAND N.V.

(Incorporated in The Netherlands with limited liability)

INTERIM DIVIDEND FOR THE YEAR 1980

The Managing Board of Algemene Bank Nederland N.V. has declared an interim dividend of D.Fls. 12.50 per ordinary share, at the option of the shareholders in shares and cash or wholly in cash, as from 29th August, 1980.

Shareholders opting for the shares and cash alternative will be entitled to a share premium bonus of D.Fls. 2.50 par value together with D.Fls. 6.00 in cash. The cash dividend of D Fls. 6.00 will be paid against Coupon No. 47 while Coupon No. 48 may be used to receive a further cash dividend of D.Fls. 6.50 or a share premium bonus of D.Fls. 2.50 par value. Shareholders who do not wish to receive the dividend entirely in cash will thus receive one additional ordinary share of D.Fls. 100 for each 40 Coupons No. 48 from the ordinary shares or for 4 Coupons No. 48 from certificates of 10 ordinary shares presented at the offices mentioned below.

Baring Brothers & Co. Limited,
88 Leadenhall Street,
London EC3A 3DT.
Algemene Bank Nederland N.V.,
61 Threadneedle Street,
London EC2P 2HH
Algemene Bank Nederland N.V.,
61 King Street,
Manchester M2 4BQ.

New share certificates may be distributed in the form of CF-certificates or as K-certificates with Coupons No. 49 and following and talon attached.

Stock options not exercised by 30th November, 1980 will be sold and the proceeds held for distribution to holders of Coupons No. 48 not presented for payment by that date.

U.K. residents who are liable to U.K. taxes on dividends paid to them and who do not carry on a trade or business in The Netherlands through a permanent establishment situated therein, may have Netherlands dividend tax reduced from 25% to 15% if the coupons are accompanied by a completed Form 92VK, which may be obtained at any of the above-mentioned offices.

Amsterdam, 15th August, 1980. THE MANAGING BOARD.

LEGAL NOTICES

THE COMPANIES ACTS 1948 TO 1967
NOTICE TO CREDITORS
W. JOYCE TRANSPORT LIMITED
(Creditors' Voluntary Winding Up)

NOTICE IS HEREBY GIVEN that the Creditors of the above-named Company are required on or before the 5th day of September 1980, to send their names and addresses, with particulars of their debts or claims, to the undersigned Christopher John Owen Sullivan of Redhead Piggott, 43/45 Butts Green Road, Hornchurch, Essex, the Liquidator of the Company: and if so required by notice in writing from the said Liquidator either personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof, they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 25th day of July, 1980.
C. J. O. SULLIVAN,
Liquidator.

CURRENCIES, MONEY and GOLD

Dollar firm

The dollar rose sharply in currency markets yesterday in reaction to last week's poor money supply figures and the possible effect on interest rates. Some sectors of the market thought that the Federal authorities would have to drain liquidity out of the system and thus drive up interest rates. Euro-dollar rates reflected this viewpoint, with the three-month rate rising to 10 13/16 per cent from 10½ per cent and six-month to 11 1/16 from 10 13/16 per cent. Against the D-mark the dollar rose to its best level since the middle of May, closing at DM 1.7990 after a high for the day of DM 1.8045, and compared with Friday's close of DM 1.7860. The Bundesbank was active in the market, attempting to minimise the dollar's rise. Elsewhere, the dollar closed at SwFr 1.6600 against the Swiss franc against SwFr 1.6450 previously, and Y226.35 from Y225.65.

On Bank of England figures, the dollar's trade weighted index rose from 84.5 to 85.0.

Sterling maintained its firmer trend, and closed with an unchanged trade weighted index of 75.7, despite the dollar's firmer tendency. This was due to sterling's strong performance against European currencies. It closed at a new four-year high in terms of the D-mark, rising to DM 4.2650 from DM 4.2550 on Friday.

Against the dollar it opened at $2.3640-2.3650 and rose briefly to a high of $2.3735, before easing to $2.3695 around noon. It lost more ground as the dollar started to improve rapidly and touched $2.3670, but rose on favourable UK July trade figures to $2.3715. Despite a slight easing in the dollar, sterling was unable to maintain this level and closed at $2.3690-2.3700, a fall of 1.1c.

D-MARK—One of the weaker members of the European Monetary System of late, and showing a tendency to ease against the dollar following the turnaround in U.S. interest rates. In previous months light Bundesbank monetary policy and the sharp fall in U.S. interest rates led to a decline in the dollar against the German currency—The D-mark was mostly weaker at yesterday's fixing in Frankfurt, losing ground to the dollar and sterling as well as most members of the EMS. The dollar rose to DM 1.7985 from DM 1.7841 despite some $20m sold by the Bundesbank. In later trading the U.S. unit was quoted over DM 1.80. Sterling rose to DM 4.2620 from DM 4.2410, a new four-year high. Elsewhere the French franc was higher at DM 43.265 per FFr 100 from DM 43.19, while the Swiss franc eased to DM 1.0827 compared with DM 1.0865 previously.

ITALIAN LIRA—Still the weakest member of the EMS and relatively steady after July's support package. Recently however rumours of a possible devaluation have caused further weakness—The lira was mostly firmer against its EMS partners in Milan yesterday, but lost ground in terms of sterling and the U.S. dollar. Sterling rose to a record L2,014.1 at the fixing, compared with L2,006.9 previously, and the U.S. dollar was higher at L850.05 against L845.05. Within the EMS the D-mark slipped to L472.25 from L473.95 and the French franc to L204.25 from L204.74. Rumours of a possible devaluation over the long weekend proved unfounded and this helped the lira recover

JAPANESE YEN—Showing a steadier trend after marked recovery on the fall in U.S. interest rates. Last year fears about energy supplies and balance of payments problems severely depressed the currency—The yen lost ground against the dollar in Tokyo yesterday, with the U.S. unit closing at Y226.30, compared with Y224.65 on Friday. It opened at Y226.40 in moderately active trading and touched a high of £226.70 during the morning, before drifting slightly easier

THE POUND SPOT AND FORWARD

Aug. 18	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.3640-2.3735	2.3690-2.3700	1.47-1.37c pm	7.18	3.35-3.25pm	5.57
Canada	2.7440-2.7585	2.7570-2.7580	1.82-1.72c pm	7.70	4.16-4.06pm	5.96
Nethlnd.	4.60½-4.64½	4.62¼-4.63¼	3-2c pm	6.48	7¾-6¾ pm	6.27
Belgium	67.75-68.26	68.00-68.10	30-20c pm	4.41	68-58 pm	3.70
Denmark	13.12-13.20	13.16½-13.17½	½ore pm-1½ dis	−9.74	3½-8½ dis	−2.05
Ireland	1.1225-1.1295	1.1265-1.1275	0.09-0.14p dis	−1.22	0.10-0.15dis	−9.44
W. Ger.	4.24-4.28	4.26-4.27	3½-2¾pf pm	6.79	9-8 pm	7.97
Portugal	117.00-118.00	117.70-117.90	40c pm-15 dis	1.27	50pm-75dis	−0.42
Spain	171.80-172.40	172.10-172.00	45-105c dis	−5.23	250-360dis	−7.09
Italy	2009-2018	2012-2013	31-34lire dis	−18.38	87¼-70¼dis	−15.66
Norway	11.52½-11.58	11.55¾-11.58¾	4-2½ore pm	3.31	11¼-8¾pm	3.68
France	9.81-9.88	9.85-9.88	5¼-4¾c pm	9.39	13¾-12¾pm	5.38
Sweden	9.88-9.94	9.91½-9.92½	2¾-1¾ore pm	2.72	4¾-3¾pm	1.71
Japan	533-540	536-537	2.70-2.25y pm	5.54	1.20-6.75pm	5.20
Austria	30.05-30.25	30.20-30.25	17-14gro pm	6.15	43½-37½pm	5.36
Switz.	3.91-3.95	3.92¾-3.93¾	4¼-3¼c pm	11.44	11¼-19¾pm	11.06

Belgian rate is for convertible francs. Financial franc 68.90-69.00
Six-month forward dollar 5.05-4.95c pm. 12-month 7.25-7.70c pm.

THE DOLLAR SPOT AND FORWARD

Aug. 18	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.3640-2.3735	2.3690-2.3700	1.47-1.37c pm	7.16	3.35-3.25 pm	6.57
Ireland†	2.0980-2.1060	2.0980-2.0980	1.10-1.00c pm	9.01	3.20-3.19 pm	6.01
Canada	1.1612-1.1642	1.1614-1.1618	0.12-0.07c pm	0.98	0.15-0.10 pm	0.43
Nethlnd.	1.9480-1.9570	1.9535-1.9549	0.05c pm-0.05 dis	—	0.52-0.42 pm	0.96
Belgium	28.64½-28.78	28.71-28.73	5-8½c dis	−2.40	10-13 dis	−1.60
Denmark	5.5480-5.5670	5.5615-5.5630	3.35-3.85ore dis	−7.77	6.50-10.00dis	−7.01
W. Ger.	1.7935-1.8045	1.7985-1.7995	0.27-0.23pf pm	1.67	1.16-1.10 pm	2.50
Portugal	49.65-49.78	49.68-49.78	15-35c dis	−6.03	50-100dis	−6.03
Spain	72.58-72.73	72.68-72.73	65-85c dis	−12.38	225-250 dis	−15.07
Italy	848.70-850.50	850.00-850.39	18-12lire dis	−24.70	40-44dis	−19.76
Norway	4.8765-4.8790	4.8765-4.8780	1.10-1.60ore dis	−3.32	2.05-2.55dis	−1.89
France	4.1455-4.1680	4.1600-4.1615	0.23-0.33c dis	−0.81	0.12-0.27dis	−0.19
Sweden	4.1775-4.1880	4.1865-4.1875	1.45-1.60ore dis	−4.37	4.05-4.20dis	−3.94
Japan	226.00-226.80	226.30-226.40	0.30-0.45y dis	−1.89	0.20-0.35dis	−0.48
Austria	12.70¾-12.76½	12.75¼-12.76¼	0.80-1.20gro dis	−0.89	¼pm-1½ dis	−0.19
Switz.	1.6520-1.6660	1.6595-1.6605	0.73-0.68c pm	5.19	2.30-2.25pm	5.48

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

Aug. 18	Bank of England Index	Morgan Guaranty Changes %
Sterling	75.7	−30.4
U.S. dollar	85.0	−8.7
Canadian dollar	81.1	−17.9
Austrian schilling	166.7	+24.0
Belgian franc	115.6	+13.6
Danish kroner	106.8	−4.5
Deutsche mark	154.1	+45.5
Swiss franc	196.9	+79.7
Guilder	126.5	+20.1
French franc	101.5	−5.7
Lira	55.0	−51.2
Yen	125.0	+94.0

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

CURRENCY RATES

Aug. 14	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	16	0.553503	0.596991
U.S. $	10	1.31540	1.41779
Canadian $	10.26	1.59507	1.64495
Austria Sch.	6¾	unavail.	17.9198
Belgium F	19	..	40.3761
Danish K	13	7.36055	7.82826
D'mark	7½	2.34681	2.53192
Guilder	9	2.54990	2.74977
French Fr.	9½	Unavail.	5.95511
Lira	15	..	1197.96
Yen	9	305.570	318.883
Norwgn. Kr.	8	6.38956	6.88790
Spanish Pts.	8	unavail.	109.571
Swedish Kr.	10	5.47807	6.00785
Swiss Fr.	3	2.15518	2.55141

OTHER CURRENCIES

Aug. 18	£	$		£ Note Rates
Argentina Peso	4485-4605	1896-1909	Austria	29.95-30.96
Australia Dollar	2.0475-2.0515	0.8650-0.8655	Belgium	68.30-68.90
Brazil Cruzeiro	199.61-150.61	54.605-54.805	Denmark	13.10-13.20
Finland Markka	8.86-8.87	3.6615-3.6825	France	9.82-9.90
Greek Drachma	102.085-104.501	42.85-43.16	Germany	4.25½-4.28½
Hong Kong Dollar	11.73-11.76	4.9535-4.9556	Italy	1985-2070
Iran Rial	n.a.	n.a.	Japan	536-541
Kuwait Dinar (KD)	0.630-0.638	0.2684-0.2685	Netherlands	4.61½-4.64½
Luxembourg Frc.	68.00-68.10	28.71-28.75	Norway	11.51-11.61
Malaysia Dollar	5.1000-5.1100	2.1555-2.1555	Portugal	115-110
New Zealand Dlr.	2.4240-2.4290	1.0855-1.0250	Spain	167-176½
Saudi Arab. Riyal	7.83-7.89	3.3200-3.5215	Sweden	9.86-9.96
Singapore Dollar	5.0675-5.0675	2.1365-2.1395	Switzerland	3.09½-3.95½
Sth. African Rand	1.8010-1.8020	0.7600-0.7605	United States	2.36¼-2.37½
U.A.E. Dirham	8.70-8.76	3.6890-3.6806	Yugoslavia	63¾-69⅞

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU August 18	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.4720	+1.71	+0.51	±1.53
Danish Krone	7.72336	7.82930	+1.37	+0.17	±1.64
German D-Mark	2.48208	2.53457	+2.11	+0.91	±1.125
French Franc	5.84700	5.85897	+0.20	−1.00	±1.3557
Dutch Guilder	2.74362	2.75186	+0.30	−0.90	±1.512
Irish Punt	0.668201	0.670602	+0.34	−0.86	±1.668
Italian Lira	1157.79	1195.77	+3.28	+2.35	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

Aug. 18	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.370	4.265	536.5	9.865	3.935	4.628	2015.	2.758	68.05
U.S. Dollar	0.422	1.	1.800	226.4	4.169	1.660	1.953	848.3	1.164	28.72
Deutschemark	0.234	0.556	1.	125.8	2.511	0.922	1.085	471.8	0.647	16.98
Japanese Yen 1,000	1.864	4.417	7.950	1000.	18.37	7.330	8.625	3751.	5.140	125.8
French Franc 10	1.015	2.404	4.328	544.4	10.	3.990	4.696	2042.	2.798	69.05
Swiss Franc	0.254	0.603	1.085	136.4	2.506	1.	1.177	511.8	0.701	17.30
Dutch Guilder	0.218	0.612	0.922	115.9	2.130	0.850	1.	434.0	0.596	14.71
Italian Lira 1,000	0.497	1.177	2.119	266.8	4.887	1.954	2.298	1000.	1.370	33.81
Canadian Dollar	0.363	0.859	1.547	194.6	3.574	1.426	1.678	720.8	1.	24.68
Belgian Franc 100	1.470	3.482	6.267	788.4	14.48	5.770	6.800	2967.	4.052	100.

FT LONDON INTERBANK FIXING (11.00 a.m. AUGUST 18)

3 months U.S. dollars		6 months U.S. dollars	
bid 10 5/4	offer 10 7/8	bid 11 3/9	offer 11 1/2

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris, and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market Closing Rates)

Aug. 18	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	16¾-17	0-0¼	8-10	10-10¼	7-7½	7⅜-7 11/16	10¾-11	30-40	8 9/16-8 11/16	12⅞-13⅛
7 days' notice	16¾-17	0⅛-0⅜	8-10	10-10¼	4¼-4¾	7 13/16-8 1/16	10¾-11	53-43	0⅝-0¾	11¾-12
Month	16¾-17	9⅞-10⅛	0⅜-6¾	8 15/16-10 1/16	6¼-5⅜	8 1/16-8 3/16	10¾-11	34-36	10⅛-10¼	11⅝-11⅞
Three months	16 5/16-16½	10 11/16-10 13/16	10⅜-10⅝	9 15/16-10 1/16	5¼-5⅜	8¼-8⅜	10⅞-11⅛	28-30⅛	10⅞-11	11¼-11⅜
Six months	16-16¼	11 1/16-11 3/16	10⅞-11¼	9 9/16-8½	5¼-5⅜	7 15/16-8	11⅛-11⅝	97-28½	11⅛-11⅝	10¾-10⅞
One Year	14 13/16-15 1/16	11⅜-11⅝	11-11⅜	8 7/16-8 11/16	6-5⅛	7⅞-7 13/16	11⅜-11⅝	94-26½	11 7/16-11 11/16	8⅝-0⅞

Long-term Eurodollar two years 11⅝-11⅞ per cent; three years 11¾-12 per cent; four years 12-12¼ per cent; five years 12¼-12½ per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice. Asian rates are closing rates in Singapore.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 9.85-9.95 per cent; three-months 10.30-10.40 per cent; six-months 10.75-10.85 per cent; one year 10.90-11.00 per cent.

INTERNATIONAL MONEY MARKET

German rates steady

The recent flood of short-term money in the Frankfurt money market showed little sign of draining away yesterday, with call money still quoted below 8 per cent. Seasonal tax payments and dollar/mark swap agreements have failed so far to make much impression on the surplus of funds, and banks can meet their reserve requirements for this month with such ease that even a sharp drop in liquidity would probably not endanger their ability to meet the minimum requirement. With money relatively cheap, borrowing through the Lombard facility at 9½ per cent has virtually disappeared. Ahead of Thursday's meeting of the Bundesbank central council, opinion remains divided as to whether there will be any change in credit policies, but a greater part of the market now feels that key lending rates will remain at current levels.

In Paris a technical shortage of short-term funds pushed up call money to 11¼ per cent compared with 11 per cent last Thursday. However, conditions are expected to ease once more, according to market sources and overnight money should drop back to 11 per cent. Activity was rather restricted ahead of Thursday's Bundesbank meeting, with any change in interest rates likely to influence the French authorities.

MONEY RATES

NEW YORK	
Prime Rate	11.0
Fed. Funds	9⅞-9¾
Treasury Bills (13-week)	8.08
Treasury Bills (26-week)	8.32
GERMANY	
Discount Rate	7.5
Overnight Rate	7.875
One month	0.0
Three months	8.85
Six months	8.50
FRANCE	
Discount Rate	9.5
Overnight Rate	11.25
One month	10.96875
Three months	11.0
Six months	11.0
JAPAN	
Discount Rate	9.0
Call (Unconditional)	12.25
Bills Discount (three-month)	12.5625

UK MONEY MARKET

Extreme shortage

Bank of England Minimum Lending Rate 16 per cent (from July 3, 1980)

The repayment of Friday's very large lending was the main factor behind the scarcity of short term funds in the London money market yesterday, and the authorities gave assistance on an exceptionally large scale. This comprised extremely large purchases of commercial bills, on a sale and repurchase agreement and moderate loans to six or seven houses at MLR, for repayment today.

Other factors working against the market included the unwinding of a previous sale and repurchase agreement of gilt stocks, which was replaced by a similar but smaller facility, the net effect of which was a moderate amount drained from the market. There was also a moderate net take up of Treasury bills to finance and the unwinding of another sale and repurchase agreement involving a small number of commercial bills. In addition banks brought forward balances a small way below target.

GOLD

Weaker trend

Gold fell $12 an ounce in the London bullion market yesterday to close at $611-614. It opened at $615-618 and touched a high of $616-617¼ in early trading. During the afternoon however it fell back to a low point of $605½-607 as New York came into the market. However the weaker trend was reversed towards the end of the day, and in later trading in New York gold was quoted $615.

In Paris the 12½ kilo bar was fixed at FFr 83,000 per kilo ($619.89 per ounce) compared with FFr 83,050 ($622.21) in the morning and FFr 83,600 ($629.60) on Thursday morning.

In Frankfurt the 12½ kilo bar was fixed at DM 35,225 per kilo ($609.98 per ounce) against DM 35,855 ($625.03) previously, and closed at $611-614 compared with $623-625 on Friday.

In Zurich gold finished at $611-614 against $623-626 previously.

	Aug. 18		Aug. 15	
Gold Bullion (fine ounce)				
Close	$611-614	(£257¾-259)	$623-626	(£262-263¼)
Opening	$615-618	(£259¾-261)	$605-628	(£263-264¼)
Morning fixing	$609.76	(£256.986)	$626	(£263.335)
Afternoon fixing	$612.85	(£258.333)	$624.5	(£262.889)
Gold Coins				
Krugerrand	$632-634	(£266½-268½)	$644-646	(£270¼-279¼)
Mapleleaf	$636-640	(£268¼-271¼)	$630-643	(£268¼-271¼)
New Sovereigns	$155-156	(£65¼-66¼)	$168½-159½	(£66¼-67¼)
King Sovs	$183-185	(£77-78)	$185¼-187½	(£77¾-78¾)
Victoria Sovs	$183-185	(£77-78)	$185½-187½	(£77¾-78¾)
French 20s	$158¼-160¼		$157½-158½	
50 pesos Mexico	$756-760		$773-777	
100 Cor. Austria	$605-600		$619-616	
$20 Eagles	$743-747		$748-762	
$10 Eagles	—		—	
$5 Eagles	—			

LONDON MONEY RATES

Aug. 18 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	16-10	—	—	—	16¾-16⅞	15½-16	—	—	—
2 days notice	—	—	16⅝-16¾	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	16⅛-18¾	16¾	—	17	16⅞-17	15½-15¾	—	—	—
One month	16⅝-18⅜	16 5/16-16 11/16	16½-16⅝	17⅝-18	17	17	16⅝-15¾	14 13/16	16 7/16	16⅞
Two months	16 7/16-16 9/16	18⅝-16¾	—	17⅛-17⅝	18⅞	—	16⅝-16½	14⅞	16¼	18⅝
Three months	16 7/16-16⅝	16 5/16-16 7/16	16½-16⅝	16⅛-17	16⅞	16⅞-17	15⅛-15¼	14 13/16-14⅞	15 11/16-15 13/16	18⅛
Six months	15 11/16-16⅜	16⅞-18	15¾-16	16½-16	16¼	16½	—	—	14⅝-14 11/16	15¼
Nine months	16-14⅞	15 1/16-15 1/16	—	16⅝-16	15½	16	—	—	—	—
One Year	14⅜-14¼	14 11/16-14 11/16	14-14¾	14½-14¾	15	15½	—	—	—	—
Two years	—	—	14 7/16-14½	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 14⅞-14⅞ per cent; four years 14-14¼ per cent; five years 13⅞-14⅛ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 15⅜-15 7/16 per cent; four-month trade bills 15⅞ per cent.

Approximate selling rate for one-month Treasury bills 14 23/32-14 47-64ths per cent; two-month 14 13/16-14 53-64ths per cent; three-months 14¾ per cent. Approximate selling rate for one-month bank bills 16 5/16 per cent; two-months 15⅞ per cent; three-months 15 9/16-15 19/32 per cent; one-month trade bills 16⅝ per cent; two-months 16½ per cent; and three-months 15⅞ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 16½ per cent from August 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 14 per cent. Clearing Bank Rates for lending 16 per cent. Treasury Bills: Average tender rates of discount 14.9091 per cent.

WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound against various currencies on August 18, 1980. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Abbreviations: (A) approximate rate, no direct quotation available; (F) free rate; (P) based on U.S. dollar parities and going sterling/dollar rates; (S) member of the sterling area other than Scheduled Territories; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) bankers' rates; (cm) commercial rate; (ch) convertible rate; (fn) financial rates; (exC) exchange certificate rate; (k) Scheduled Territory; (nc) non-commercial rate; (nom) nominal; (o) official rate; (sg) selling rate.

Place and Local Unit		Value of £ Sterling
Afghanistan	Afghani	105.0
Albania	Lek	19.06
Algeria	Dinar	9.0755
Andorra	French Franc	9.855
	Spanish Peseta	172.15
Angola	Kwanza	70.3505
Antigua (S)	E. Caribbean $	6.49
Argentina	Ar. Peso Free Rate	4,495.0
Australia (S)	Australian $	2.0495
Austria	Schilling	30.225
Azores	Portug. Escudo	117.80
Bahamas (S)	Ba. Dollar	2.3695
Bahrain (S)	Dinar	0.894
Balearic Isles	Spa. Peseta	172.15
Bangladesh (S)	Taka	36.05
Barbados (S)	Barbados $††	4.7390
Belgium	B. Franc	(cm) 68.05
		(fn) 68.95
Belize	B $	4.7390
Benin	C.F.A. Franc	499.75
Bermuda (S)	Bda $	2.3695
Bhutan	Indian Rupee	18.38
Bolivia	Bolivian Peso	59.29
Botswana (S)	Pula	1.8416
Brazil	Cruzeiro ‡‡	130.11
Brit. Virgin Isles (S)	U.S. $	2.3695
Brunei (S)	Brunei $	5.0626
Bulgaria	Lev	2.0087
Burma	Kyat	15.80
Burundi	Burundi Franc	215.52
Cameroon Republic	C.F.A. Franc	492.75
Canada	Canadian $	2.7576
Canary Islands	Spanish Peseta	172.15
Cape Verde Isle.	Cape V. Escudo	86.45
Cayman Islands (S)	Cay. Is. $	1.9745
Cent. Af. Repub.	C.F.A. Franc	492.75
Chad	C.F.A. Franc	492.75
Chile	C. Peso	(Bk) 90.37
China	Renminbi Yuan	3.4660
Colombia	C. Peso	(F) 113.49
Comoro Islands	C.F.A. Franc	499.75
Congo (Brazzaville)	C.F.A. Franc	492.75
Costa Rica	Colon	29.55
Cuba	Cuban Peso	1.9550
Cyprus (S)	Cyprus £	0.8250
Czechoslovakia	Koruna	(com) 12.55
		n/c 21.51
		(T) 21.19
Denmark	Danish Krone	13.17
Djibouti	Fr.	410 (sg)
Dominica (S)	E. Caribbean $	6.40
Dominican Repub.	Dominican Peso	2.3695
Ecuador	Sucre	(D) 59.64
		(F) 64.54
Egypt	Egyptian £	(U) 1.66
Equatorial Guinea	Ekpwele	170.15
Ethiopia	Ethiopian Birr	(P) 4.8560
Falkland Islands (S)	Falkland Is. £	1.0
Faroe Islands	Danish Krone	13.17
Fiji Islands	Fiji $	1.8160
Finland	Markka	8.866
France	French Franc	9.856
French C'tyin Af*	C.F.A. Franc	499.76
French Guiana	Local Franc	9.855
French Pacific Is.	C.F.P. Franc	174 (sg)
Gabon	C.F.A. Franc	492.76
Gambia (S)	Dalasi	4.0
Germany (East)	Ostmark	4.265
Germany (West)	Deutsche Mark	4.265
Ghana (S)	Cedi	6.54
Gibraltar (K)	Gibraltar £	1.0
Greece	Drachma	103.268

Place and Local Unit		Value of £ Sterling
Greenland	Danish Kroner	13.17
Grenada (S)	E. Caribbean $	6.40
Guadaloupe	Local Franc	9.855
Guam	U.S. $	2.3695
Guatemala	Quetzal	2.3695
Guinea Republic	Syli	44.50
Guinea Bissau	Peso	79.00
Guyana (S)	Guyanese $	6.0499
Haiti	Gourd	11.85
Honduras Repub.	Lempira	4.7600
Hong Kong (S)	H.K. $	11.74
Hungary	Forint	(com) 75.7880
		(T)(nc) 55.8067
Iceland (S)	I. Krona	1,175.95
India (S)	Ind. Rupee	18.36
Indonesia	Rupiah	1,480.9
Iran	Rial	n/a
Iraq	Iraq Dinar	0.70046
Irish Republic (k)	Irish £	1.1270
Israel	Shekel	12.75
Italy	Lira	2,019.5
Ivory Coast	C.F.A. Franc	492.76
Jamaica (S)	Jamaican Dollar	4.2260
Japan	Yen	536.6
Jordan (S)	Jordan Dinar	0.687 (sg)
Kampuchea	Riel	2,845.4
Kenya (S)	Kenya Shilling	17.396
Kiribati	Australian $	2.0496
Korea (Nth)	Won	2.01 (II)
Korea (Sth)	Won	1,465.1
Kuwait	Kuwait Dinar	0.635
Laos	Kip Pot Pe	57.90
Lebanon	Lebanese £	8.1915
Lesotho	Loti	1.8015
Liberia	Liberian $	2.3695
Libya	Libyan Dinar	0.7015
Liechtenstein	Swiss Franc	3.9395
Luxembourg	Lux Franc	68.05
Macao	Pataca	19.55
Madeira	Portug'se Escudo	117.80
Malagasy Republic	MG Franc	499.75
Malawi (S)	Kwacha	1.99
Malaysia (S)	Ringgit	5.1050
Maldive Islands (S)	Mal Rupee	9.5060
Mali Republic	Mali Franc	985.5
Malta (S)	Maltese £	0.819
Martinique	Local Franc	9.855
Mauritania	Ouguiya	97.70
Mauritius (S)	M. Rupee	17.95
Mexico	Mexican Peso	54.68
Miquelon	C.F.A. Franc	499.75
Monaco	French Franc	9.855
Mongolia	Tugrik	(o) 6.693 (II)
Montserrat	E. Caribbean $	6.40
Morocco	Dirham	8.98 (sg)
Mozambique	Metical	67.00
Nauru	Australian Dollar	2.0405
Nepal	Nepalese Rupee	28.40
Netherlands	Guilder	4.6275
Netherland Antilles	Antillian Guilder	4.2415
New Hebrides	See VANUATU	
New Zealand (S)	N. Z. Dollar	2.4266
Nicaragua	Cordoba	23.685
Niger Republic	C. F. A. Franc	492.75
Nigeria (S)	Naira	1.270648 (sg)
Norway	Norway Krone	11.6625
Oman Sultanate of (S)	Rial Omani	0.818
Pakistan	Pakistan Rupee	23.27
Panama	Balboa	2.3695
Papua N. Guinea (S)	Kina	1.6740
Paraguay	Guarani	298.43

Place and Local Unit		Value of £ Sterling
Peru	Sol	(exc (A)) 660.19
Philippines	Philippine Peso	17.28
Pitcairn Islands (S)	£ Sterling	—
	New Zealand $	2.4265
Poland	Zloty	(Cm) 71.06
		(T) 71.96
Portugal	Portugu'se Escudo	117.80
Puerto Rico	U.S. $	2.3695
Qatar (S)	Qatar Ryal	8.61
Reunion Ile de la	French Franc	9.855
Romania	Leu	(Cm) 19.48
		(n'c) 28.13
Rwanda	Rwanda Franc	220.08
St. Christopher (S)	E. Caribbean $	6.40
St. Helena	St. Helena £	1.0
St. Lucia	E. Caribbean $	6.40
St. Pierre	Local Franc	9.855
St. Vincent (S)	E. Caribbean $	6.49
Salvador El	Colon	5.99
Samoa American	U.S. $	2.3696
San Marino	Italian Lira	2,019.5
Sao Tome & Principe	Dobra	91.80
Saudi Arabia	Ryal	7.86
Senegal	C.F.A. Franc	499.75
Seychelles	S. Rupee	14.86 (sg)
Sierra Leone (S)	Leone	2.4900
Singapore (S)	Singapore $	5.0625
Solomon Islands (S)	Solomon Is. $	1.9480
Somali Republic	Somali Shilling	(A) 14.96
South Africa (S)	Rand	1.8015
South West African Territories (S)	S. A. Rand	1.8015
Spain	Peseta	172.15
Spanish ports in North Africa	Peseta	172.15
Sri Lanka (S)	S. L. Rupee	38.00
Sudan Republic	Sudan £ (1)	1.18
Sudan Republic	Sudan £ (2)	1.99
Surinam	S. Guilder	4.9415
Swaziland (S)	Lilangeni	1.8015
Sweden	S. Krona	9.82
Switzerland	Swiss Franc	3.9525
Syria	Syria £	(A) 9.9970
Taiwan	New Taiwan $	85.39
Tanzania (S)	Tan. Shilling	19.10
Thailand	Baht	48.19
Togo Republic	C.F.A. Franc	499.75
Tonga Islands (S)	Pa'anga	2.0495
Trinidad (S)	Trinidad & Tob. $	5.6970
Tunisia	Tunisian Dinar	0.941 (SC)
Turkey	Turkish Lira	186.40
Turks & Caicos	U.S. $	2.3695
Tuvalu	Australian $	2.0495
Uganda (S)	Uganda Shilling	17.30
United States	U.S. Dollar	2.3695
Uruguay	Uruguay Peso	(cm) 21.68
		(fn) 21.68
Utd. Arab Emirates	U.A.E. Dirham	8.73
U.S.S.R.	Rouble	1.5167
Upper Volta	C.F.A. Franc	409.75
Vanuatu	Franc	156 (AG)
	Aust. Dollar	2.0485
Vatican	Italian Lira	2,012.6
Venezuela	Bolivar	10.17
Vietnam	Dong	(D) 5.1620
		(T) 4.9815 (II)
Virgin Islands U.S.	U.S. Dollar	2.3605
Western Samoa	S. Samoan Tala	2.1336
Yemen (Nth)	Ryal	10.70 (SG)
Yemen (Sth)	S. Yemen Dinar	(A) 0.8000
Yugoslavia	New Y Dinar	64.7887
Zaire Republic	Zaire	6.882569
Zambia	Kwacha	1.8450
Zimbabwe	Zimbabwe $	1.4040

* That part of the French community in Africa formerly French West Africa or French Equatorial Africa. † Rupees per pound. ‡ General rates of oil and iron exports 99.50. **Rate is the transfer market (controlled). ††Rate is now based on 2 Barbados $ to the dollar. ‡‡ Now one official rate. (U) Unified rate. Applicable on all transactions, except countries having a bilateral agreement with Egypt, and who are not members of IMF. (||) Based on gross rates against Russian rouble. (1) Official rate for government transactions and specified exports and imports. (2) Parallel rate for non-government transactions and non-specified exports and imports.

BORROWER PROFILE

SUDAN

Dashed hopes and mounting debts

President Nimairi has ordered Ministers to work to overcome shortages of consumer goods, petrol and electricity which occur at this time of year because of heavy rain and its effects on transport and hydroelectric power. This article by James Buxton describes Sudan's efforts to reschedule its commercial debt and restructure its economy.

"IT WAS a hysterical process. Any minister could go to the President with a project, tell him it was a good idea and get his go-ahead for it. Authority for borrowing officially rested with the Minister of Finance, but the President destroyed it."

That is what one former minister said quite recently of President Jaafar Mohammed Nimairi of Sudan during the hectic years from 1974 to 1977 when Sudan was borrowing fiercely and promoting itself as "the breadbasket of the Middle East."

But with its creditworthiness exhausted, Sudan has been trying painfully to repair the damage caused by that "hysterical process." It has made two successive agreements with the International Monetary Fund, imposed harsh austerity measures, and last August faced resulting street disturbances and strikes. Recently Morgan Grenfell was appointed to advise the Bank of Sudan, the central bank, on rescheduling its commercial debts. The British bank has started a detailed reckoning of the country's liabilities.

Sudan's total of debt arrears of all kinds was put at about $1.1bn at the end of last August. In November Sudan renegotiated about $400-$500m of that—the portion covered by western export credit guarantee agencies in the Club of Paris—to be repaid in progressively increasing amounts over a seven-year period.

But roughly $500m of debt to commercial banks — ranging from syndicated Euromarket loans to short-term trade debt—remains to be rescheduled.

Meetings last autumn between a group of creditor banks and Mr Badr el-Din Suleiman, the Sudanese Finance Minister, ended somewhat acrimoniously before Christmas with the two sides far apart: the Sudanese wanted terms comparable to those given them by the Paris Club. They regarded the banks' demand for payment of arrears of interest and regular payment of current and refinancing interest, in return for rescheduling of the debt over a seven-year period with three years grace, as impossible to fulfil. Instead they asked for a new loan to cover arrears of interest and interest falling due over the next four years.

Since then a dialogue has gradually been restored, both sides are said to have made concessions, and the banks believe they are close to formulating the basis of an agreement.

But Morgan Grenfell thinks it may take the rest of the year before Sudan can make an offer to its creditors covering all debt arrears, both specific loans and book debt, in one package.

More arrears have accumulated since last year's accounting was made because Sudan has not serviced its commercial debt since then. The question remains of what rescheduling terms Sudan will be able to meet depending on the state of the economy and on what additional funds the IMF may be prepared to make available.

Creditor banks generally welcome Morgan's appointment, feeling that it will bring agreement closer and recognising that the hard-pressed Sudanese authorities need extra manpower to tackle the debt analysis. It is highly complicated and often obscure because loans were taken on and trade debts incurred in a haphazard and unco-ordinated ways as the country tried to break out of a vicious circle of low growth by means of a drive for development.

New loan commitments of about $2.46bn were taken on between 1974 and 1977, bringing Sudan's total external debt to $3.4bn at the end of 1978. In 1978 debt service should have cost nearly $300m—35 per cent of export earnings; in fact only $76m was paid. The World Bank calculated last year that without rescheduling the Government would have to pay out $765m in 1984 in debt servicing including payment of arrears—about 41 per cent of estimated export earnings.

Both the debt servicing burden and the import bill soared as development projects got underway. But Sudan's exports decline in real terms by 13 per cent 1970-77, reserves dwindled to only a day or two's import cover and Sudan's rich Arab neighbours, in vain urging Khartoum to slow economic growth, stopped balance of payments assistance.

The crunch came in May, 1978, when amid growing shortages of basic commodities, fuel and spare parts, Sudan's Arab oil suppliers cut off shipments until bills were paid. In June that year Sudan signed a one-year standby agreement with the IMF and devalued its currency. In May, 1979, it agreed an extended fund facility making available 200m SDRs over the three-year period.

The cutting of subsidies on essential goods caused street disturbances and strikes last August but, with some exceptions, the Government has pressed on boldly with its strategy of cutting spending, reducing imports and trying to raise output and exports. A two-tier exchange rate was established last September. In the short term shortages have worsened, inflation has climbed to 40 per cent or more, and by one estimate economic activity declined 8 per cent in the fiscal year ended June.

The Government realises that it may have been a mistake to expand an economy centred on an inefficient State sector bloated by ill-conceived nationalisations in the early 1970s. But both it and its creditors accept that it will take years before all the necessary structural and institutional changes can take place against entrenched interests. A key step has been to restore the Finance Ministry's authority under the dogged Mr. Badr el-Din Suleiman over debt control and Government spending, and new management has been installed at the Bank of Sudan under Sheikh Hassan Bileil.

While Sudan's long-term agricultural potential is not doubted, it will take many years to realise. The major problem of transport over the country's vast distances has been exacerbated by the oil price rises. Oil imports are expected to cost more than $300m this year, about 60 per cent of exports (imports are put at $1.45bn). Exports this year have been hit by poor cotton and groundnut crops. The World Bank estimated last year that despite reforms Sudan's current account payments deficit would increase steadily through the 1980s from $640m this year to $932m by 1990 (though by then it would be a lower proportion of exports), and that Sudan would have to fill a gap averaging $315m a year 1983-1989 between anticipated inflows from exports, services and aid, and anticipated outflows.

Oil discoveries in the south-west of Sudan could come to the rescue. So far Chevron has established modest but "very encouraging" flow rates at three wells and hopes to have a clearer picture of prospects by the year-end. It hopes to sign contracts to build a simple refinery, or topping plant, with a capacity of 5,000 barrels a day in the next few months; it should take two years to build and meet about one-fifth of current fuel consumption. But the company is hoping to find a lot more oil than that.

The rescheduling issue is more closely related to the question of how much additional money Sudan may be able to draw from the IMF. The terms for drawing new tranches of the present facility become progressively more rigorous, and not all the conditions have been fulfilled by Sudan anyway. But now the IMF is thought to be reasonably sympathetic to Sudan's need for more balance of payments support.

It is tacitly accepted that a debt rescheduling formula, when agreed, is likely to involve a new bank loan to Sudan—"fresh money" in bankers' parlance — which would also ease cash flow. An IMF team is due in Khartoum in a few weeks to review the programme.

If rescheduling takes place as envisaged and Sudan's friends in the Arab world and in the west, where President Nimairi is regarded as a reliable leader in a dangerous part of Africa, meet Sudan's annual payments gap, then trade channels, now tightly constricted, can be reopened. The long-suffering Sudanese who have so far seen few real benefits from development will be grateful for small mercies.

INTERNATIONAL BONDS

FRN for Standard Bank of South Africa

BY PETER MONTAGNON

STANDARD BANK of South Africa is arranging a $50m five-year floating rate note issue through Citicorp International. It is believed to be the first such public issue for a South African bank.

Terms provide for a margin of ¾ per cent over six-month Libor, but the notes can be exchanged at any time for fixed rate bonds of the same maturity bearing a coupon of 9.75 per cent. The issue price is par.

Technically the borrower is the Standard Bank Import and Export Finance Company, although the issue is guaranteed by the Standard Bank of South Africa. The funds will be used to develop the bank's international business in South Africa.

External borrowing by South African entities has been a rare phenomenon in recent years. The limited number of deals contracted by both the public and private sector have concentrated on private placements in D-Marks and Swiss francs. It remains to be seen whether this new operation by Standard Bank will set a trend for public issues by South African borrowers in dollars.

In June the South African government launched a DM 120m seven year Eurobond, its first public issue since 1976.

Meanwhile prices of straight dollar bonds fell about ½ points on average yesterday after having been marked down about one point initially following the latest surge in U.S. money supply figures.

Although distorted by social security payments, the money supply figures caused renewed concern over the future trend of U.S. interest rates. Short term Eurodollar rates moved higher yesterday with six months quoted fully $ a point up at 11⅛.

Trading in Eurobonds remained light, however, and prices recovered somewhat during the afternoon as the New York bond market opened higher than anticipated.

Upward pressure on dollar interest rates also spilled over into the Deutsche Mark sector where foreign bond prices shed about quarter point in light trading. With the dollar once again standing over DM 1.80 in exchange markets, dealers were growing sceptical about whether the Bundesbank will in fact cut official interest rates when its central council metes on Thursday.

There as no heavy selling, but the market is now cautious and domestic bonds, too, shed about half a point, prompting support intervention from the Bundesbank to the tune of some DM 25m.

In this uncertain climate Dresdner Bank took the somewhat unusual step of delaying pricing of the DM 200m bond for the Kingdom of Sweden announced yesterday. The coupon has been set at 7¾ per cent over ten years but the price will only be fixed after the Bundesbank meeting.

Swiss franc foreign bonds were little changed. Credit Suisse is expected to announce today terms on the forthcoming SwFr 100m, ten-year bond for Bayer International.

Elsewhere Nederlandsche Middenstandbank is floating a Fl 75m Euroguilder issue on its own behalf. The coupon is 10 per cent over five years and issue price is par.

Siderbras to raise $150m Eurocredit

By Our Euromarkets Staff

BRAZIL'S steel concern Siderbras has formally awarded a mandate to Bank of Tokyo to raise a $150m, eight-year Eurocredit at a margin throughout of 1½ per cent. The amount is lower than the $250m originally mooted and the spread is ¼ point higher than on recent Brazilian borrowings.

The mandate thus underlines once again the seemingly inexorable hardening of terms for Brazilian borrowers in the Euromarkets. Many bankers believe that given Brazil's continuing heavy requirement for funds, margins on credits to that country will rise still further in coming weeks.

At the same time there are signs that international banks are increasingly reluctant to add to the volume of their exposure to Brazil. The country has denied rumours it planned to launch a jumbo Eurocredit shortly. Some bankers doubt that such an operation could have passed off smoothly without a further significant hardening of terms.

Besides Bank of Tokyo, five banks are in the management group for the Siderbras deal. They are Amex Bank, Banco de la Provincia de Buenos Aires, Banco do Brasil, Morgan Guaranty and Manufacturers Hanover.

Meanwhile Mexico's Fundidora de Monterrey has awarded a mandate to seven banks for a $300m credit. As expected this carries a margin of ⅝ per cent for four years rising to ¾ per cent for the remaining four with a grace period of four and a half years. An additional margin ranging between ⅛ and ¼ is offered to banks absorbing Mexican witholding tax.

Bank of America will run the books and is agent for the loan, Royal Bank of Canada is handling the documentation and Grindlay Brandts the information memorandum. Other banks involved are Banamex, Bank of Montreal, Bank of Tokyo and Morgan Guaranty.

The credit, which will not be widely syndicated, is partly designed to consolidate existing debt.

RCA bid to launch telex service

BY IAN HARGREAVES IN NEW YORK

RCA, the diversified U.S. electrical and communications group, is to join the melee in establishing a domestic telex service in the U.S.

RCA Global Communications has filed an application with the Federal Communications Commission (FCC) to set up the service. The company has not operated a domestic telegraph service since the war.

RCA's move has been made possible by recent relaxation by the FCC of the rules which, up until the last few months, have ensured that Western Union has held a monopoly of domestic telex business.

A number of other firms, most notably International Telephone and Telegraph (ITT), have already launched limited U.S. telex services.

The FCC's strategy, aided by legislation now en route through Congress, is to throw open to competition most of the domestic and international telecommunications industry.

This creates both opportunities and problems for the big operators, such as Western Union and American Telephone and Telegraph.

AT and T, for example, is busily exploring the possibilities newly opened to it of entering into the word processing business and the so-called "office of the future" concept.

RCA is a leading operator of communications satellites, an activity which put it in the news earlier this year when one of its satellites was lost shortly after launch. The company also owns the NBC broadcasting company.

AMERICAN QUARTERLIES

BOW VALLEY INDUSTRIES	1980	1979
	C$	C$
Revenue	93.77m	56.67m
Net profits	5.04m	1.4m
Net per share	0.13	0.05
Six months		
Revenue	172.2m	118.4m
Net profits	12.12m	4.94m
Net per share	1.14	0.67

BP CANADA	1980	1979
Six month	C$	C$
Revenue	600.0m	470.0m
Net profits	59.8m	24.0m
Net per share	2.81	1.13

DRESSER INDUSTRIES	1980	1979
Third quarter	$	$
Revenue	1.0bn	851.0m
Net profits	57.5m	52.5m
Net per share	1.48	1.35
Nine months		
Revenue	2.88bn	2.43bn
Net profits	173.6m	152.8m
Net per share	4.46	3.97

HANDY & HARMAN	1980	1979
Second quarter	$	$
Revenue	159.4m	148.4m
Net profits	7.27m	3.68m
Net per share	1.07	0.54
Six months		
Revenue	428.7m	282.1m
Net profits	18.56m	7.14m
Net per share	2.73	1.05

HOUSTON INDUSTRIES	1980	1979
Second quarter	$	$
Revenue	683.0m	511.0m
Net profits	57.36m	48.08m
Net per share	1.46	1.45
Year		
Revenue	2.13bn	1.64bn
Net profits	168.2m	152.0m
Net per share	4.64	4.75

PARKER HANNIFIN	1980	1979
Fourth quarter	$	$
Revenue	266.0m	252.0m
Net profits	13.0m	16.5m
Net per share	0.89	1.14
Year		
Revenue	1.02bn	892.0m
Net profits	56.0m	53.2m
Net per share	3.80	3.64

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on August 18

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Brit. Oxygen F. 10¼ 90	50	86⅛	86⅝	−0⅛	−1⅛	13.27
CECA Grad. Rate 12 86	100	95¾	96½	−0⅛	−0¼	12.13
CECA 11⅝ 90	50	95½	96½	−0½	−0⅛	12.34
CECA 11½ 88	100	96½	97	−0½	−1	12.15
Citicorp O/S Fin. 10 86	300	91⅛	91⅞	−0½	−0½	12.06
Con. Illinois O/S 9¾ 86	150	89¾	90¼	−0⅛	−0⅞	12.22
Denmark 11¼ 90	100	94¾	95¼	−0⅛	−1	12.66
Dome Petroleum 13½ 92	50	99⅛	99¾	−0⅞	−0½	13.56
EEC 11 95	75	89⅛	90⅛	−1¼	−2⅛	12.50
EIB 11¼ 92	80	92⅛	92⅞	−0½	−1	13.02
EIB 13¼ 90	100	102⅞	103⅜	−0⅞	−1½	13.13
Eksportfinans 11¼ 87	50	96⅝	97⅛	−0⅛	−0⅛	11.91
Eksportfinans 9½ 87	75	87¾	88¼	−0½	−1	12.16
Elec. de France 10 88	125	89⅝	90⅛	−0⅝	−1½	12.02
Export Dv. Cpn. 12¾ 87	100	101⅞	102⅜	−0⅝	−1⅛	12.24
Export Dv. Cpn. 9½ 86	150	90⅜	90⅞	−0½	−0⅞	11.92
Federal Dev. Bk. 12¼ 85	75	100⅞	101⅜	−0⅛	−0¼	11.89
Fin. Exp. Credit 10½ 85	50	93⅞	94⅜	−2⅛	−1⅞	12.15
Finland Rep. of 9½ 86	100	87⅞	88⅜	−0½	−0⅛	12.55
Ford O/S Fin. 12⅝ 85	250	97⅞	98⅜	−0⅛	−0⅛	13.14
George Weston 13½ 87	30	99½	100	−0⅞	−0⅞	13.53
GMAC O/S Fin. 11 84	100	96⅞	97⅜	−0⅛	−0⅞	11.81
GMAC O/S Fin. 13¾ 85	100	102⅝	103⅛	−0⅛	−1	12.47
Goodyear O/S 12½ 87	75	97⅛	97⅝	+0⅛	0	13.08
Hudson's Bay 11½ 90	75	93	93½	−0⅞	−1	12.72
IBM Canada 10½ 85	50	96½	97	−0⅛	−0½	11.39
ICI Fin. Ned. 11 93	100	88⅞	89⅜	−0¼	−0½	11.34
McGraw 13½ 85	75	99⅞	100⅜	0	−0⅛	13.41
Norwest Ind. 13⅝ 87	90	99½	100	−0⅛	0	13.64
Nova Scotia 10¾ 90	50	90¾	91¼	−0⅛	−0½	12.37
OKB 10 85	50	93⅞	94⅜	−0⅛	−1⅛	11.62
Pembroke Capital 9¾ 87	100	90⅝	91⅛	−0⅛	−1⅛	11.58
Pemex 11½ 88	100	93½	94	−0½	−1⅛	12.79
Quebec Hydro 11½ 92	100	92⅝	93⅛	−0⅛	−0⅞	12.68
Repsteel O/S 11½ 88	100	88⅜	88⅞	−1⅛	−1½	13.95
Roylease Ltd. 11¼ 85	50	97⅝	98⅛	−0⅛	−0½	11.83
SNCF 12¾ 85	50	101⅝	102⅛	−0⅞	−0⅞	11.80
Swed. Ex. Cred. 12½ 85	40	99⅝	100⅛	−0¼	−0⅛	12.46
UA Finance BV 11 90	50	86⅝	87⅛	−0⅛	−0⅛	13.44
Unilever NV 9¾ 90	100	86⅞	87⅜	−0⅛	−1⅛	12.09
World Bank 9¾ 85	200	92⅞	93⅜	−0⅞	−1½	11.67
World Bank 10¼ 87	300	93⅛	93⅝	−0⅛	−1¼	11.69

Average price changes... On day −0⅛ on week −0⅞

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Akzo 9 90	125	102¾	103¼	+0⅛	+0⅛	8.49
Australia 8½ 90	250	102½	103¼	−0⅛	−0⅛	7.98
BFCE 7¾ 87	100	99⅞	100⅜	−0½	−0½	7.69
BFCE 8¼ 85	100	100¾	101¼	0	−0⅛	8.03
Brazil 8 87	150	92¾	93¼	−0⅛	−0⅛	9.47
Council of Eur. 7¾ 89	100	96⅛	96⅝	0	+0⅛	7.81
Denmark 7⅞ 86	100	98⅝	99⅛	−0½	−0⅛	8.06
Denmark 8½ 92	100	99⅝	100⅛	+0⅛	+0⅛	8.26
EEC 7⅞ 94	225	98½	99½	−0½	−0⅛	7.96
Finland Rep. of 8 86	150	99⅞	100⅜	+0¼	−0⅛	7.93
Iberduero 9 90	100	99	99½	0	+0½	9.10
Kobe, City of 7½ 89	150	95⅞	96⅜	−0⅛	0	7.71
Kobe, City of 8 90	100	100⅝	101⅞	0	−0½	7.88
Mt. Bk. Denmark 8½ 90	150	100⅞	101⅜	0	−0½	8.40
Norway 7½ 85	250	100⅞	101⅜	−0⅞	+0⅛	7.14
OKB 7¼ 89	100	96⅛	96⅞	0	−0⅛	7.92
OKB 8¼ 92	150	100¾	101¼	0	+0½	8.08
Oslo, City of 8½ 90	60	101⅞	102⅜	−0⅛	−0⅞	8.38
Sweden 9½ 87	200	107⅜	108⅛	−0⅛	−0⅛	8.17
World Bank 8 90	700	†99½	100	−0⅛	−0⅛	8.04
World Bank 7¾ 90	250	99⅞	99⅝	−0⅛	−0½	7.88
World Bank 10 86	150	108⅜	108⅞	−0¼	−0½	8.06
World Bank 10 90	200	112⅞	113⅜	+0⅛	+0⅛	7.98

Average price changes... On day −0¼ on week −0⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 5½ 89	80	†91½	92	0	−0½	6.76
Bergen, City of 4¾ 91	40	94	94½	+0⅛	+0⅛	5.48
Bergen, City of 6 90	50	104¼	104½	+0¼	+0¼	5.41
BNDE 5 88	75	†84	84½	0	−0⅞	7.48
BMW Overseas 4¾ 91	100	92½	92¾	+0⅛	−0⅛	5.13
Buhrm'n-Tetterode 7 90	40	105½	105¾	−0⅛	−0⅛	6.21
Caisse Nat. Tele. 4¾ 89	100	†94¼	94½	−0¼	0	5.15
Copenhagen 4½ 91	60	88¼	88½	−0⅛	−0½	5.96
Council of Eur. 5 89	100	95¼	95½	−0⅛	+0⅛	5.65
Denmark 5¾ 90	80	100¾	101	0	+0⅛	5.93
EIB 4½ 94	100	†87½	88	0	−0½	5.66
Elec. de France 4¾ 89	100	94¼	94½	−0⅛	−0⅛	6.12
F. G. H. Hypo. Bk. 6 90	50	†103¼	104¼	−0¼	−0¼	5.46
GZB 4¾ 89	100	†91½	92	+1	+1½	5.41
Hilti 4½ 91	35	94⅜	94⅞	0	−0¼	4.87
Int.-Amer. Dev. 4½ 89	100	91¾	92	+0⅛	+0⅛	5.88
Int.-Amer. Dev. 7 90	80	105⅞	106⅛	−0⅛	−0⅛	6.15
Jutland Tele. 5½ 90	60	99⅛	99½	0	−0⅞	5.60
Malaysia 5 89	80	†89	89½	+0⅛	+0⅛	6.60
Newag 5¾ 90	80	102⅛	102⅜	−0⅛	+0⅛	5.41
Nippon Tel. & T. 4¾ 89	100	94½	94¾	−0⅞	−0⅛	5.00
Nordic Bank 5 89	45	98½	99	−0⅛	−0⅛	5.18
Norges Komm. 4¾ 91	100	†91	92	−0⅛	−0¼	5.41
OKB 4¾ 91	100	91½	92	+0⅛	−0⅛	5.38
OKB 6 90	100	†103	103½	−0⅛	0	5.55
Oslo, City of 4¾ 91	100	†88½	89	−0⅛	−0½	5.77
Sekisui Pre. Hme. 6 90	80	103⅝	103⅞	+0⅛	+0⅛	5.50
Shikoku El. Pwr. 4¾ 89	100	94½	94¾	−0⅛	−1⅛	5.52
World Bank 4¾ 89	100	96½	96¾	+0⅛	+0⅛	5.10
World Bank 4¾ 89	190	91¼	91½	+0⅛	+0⅛	5.51
World Bank 4¾ 91	100	†90⅜	91	0	−0⅞	5.76

Average price changes... On day 0 on week −0⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.8 83	30	92	93	0	0	8.41
Australia 6¾ 88	20	88⅛	89½	+0⅛	+0½	8.61
EIB 7¾ 89	12	96¼	97½	0	+0⅞	8.25
Finland 5.6 83	10	91½	92½	−0⅛	−0⅛	8.71
Finland 6.8 88	10	88⅛	89⅛	+0⅛	+0⅛	8.91
Finland, Rep. of 6¾ 87	15	96⅞	97⅞	0	+0⅛	8.89

Average price changes... On day 0 on week +0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bell Canada 10¾ 86 C$	60	93½	94	0	0	12.24
CIBC 13½ 85 C$	90	†102	102½	0	−0¼	12.79
CIBC 11½ 85 C$	50	†95½	96	−0⅛	−0⅛	12.70
Federal Dev. 11½ 90 C$	60	†93½	94	+0⅛	−0⅛	12.63
Fst. Can. Inv. 10 84 C$	50	†92½	93	−0½	+0⅛	12.50
GMAC 12 85 C$	50	†*97½	98	+0⅛	0	12.62
R. Bk. Canada 10 86 C$	40	92½	93⅛	+0⅛	+0⅛	[illegible]
Tordom Cpn. 13½ 85 C$	30	†102	102½	−0⅛	−0⅛	[illegible]
M. Bk. Dnmk. 9 91 EUA	25	93¾	94¼	0	−0⅛	[illegible]
SOFTE 8¾ 89 EUA	40	88¼	89¼	0	0	[illegible]
U. Bk. Nrwy. 9½ 90 EUA	18	99	100¼	0	+0⅛	[illegible]
Algemene Bk. 8¾ 84 Fl	75	96¾	96¾	−0⅛	−0⅛	[illegible]
Algemene Bk. 10¼ 87 Fl	400	100¾	101¼	−0⅛	+0⅛	[illegible]
Bk. Mees & H. 10 85 Fl	75	99⅛	99⅞	−0⅛	−0⅛	[illegible]
Heineken NV 10 87 Fl	75	100⅛	100⅝	−0⅛	−0⅛	[illegible]
Ned. Gasunie 8¾ 84 Fl	50	98⅝	99⅛	0	−1⅛	[illegible]
Norway 8¾ 84 Fl	100	96⅛	96⅝	−0⅛	−0⅛	[illegible]
Philips Lamps 8½ 84 Fl	75	96⅛	96⅝	−0⅛	−0⅛	[illegible]
Air France 11 84 FFr	120	96⅝	97⅛	+0⅛	+0⅛	[illegible]
CECA 14¼ 86 FFr	150	105⅛	106⅛	0	0	[illegible]
Finland 11 84 FFr	80	95½	96½	0	+0⅛	[illegible]
Finland 11½ 89 FFr	70	93⅞	94⅞	+0⅞	+0⅛	[illegible]
Gaz de France 11 84 FFr	150	95⅛	96⅛	+0⅛	+0⅛	[illegible]
IBM France 11¾ 84 FFr	120	97⅛	98⅛	−0⅛	0	[illegible]
Renault 9¾ 85 FFr	100	88	89	+0⅛	+0⅛	[illegible]
Saint-Gobain 9¾ 86 FFr	130	87	88	+0⅛	+0⅛	[illegible]
Solvay et Cie 9¾ 87 FFr	125	85⅛	86⅛	−0⅛	+0⅛	[illegible]
Utd. Mex. Sts. 14 85 FFr	150	100⅞	101⅞	−0⅛	+2⅛	[illegible]
Beneficial Fin. 14¼ 90 £	20	98⅛	98⅞	−0⅛	−1⅛	[illegible]
Citicorp O/S 13½ 90 £	50	98	98½	−0⅛	−1⅛	[illegible]
EIB 11½ 91 £	25	90⅛	91	−0⅛	−0⅛	[illegible]
Fin. for Ind. 12½ 89 £	30	95⅛	96⅛	−0⅛	−1	[illegible]
Fin. for Ind. 14½ 88 £	20	101⅛	102	−0⅛	−2⅛	[illegible]
Peugeot SA 14 90 £	23	98⅛	99	−0⅛	−0⅛	[illegible]
Swed. Ex. Cr. 15¼ 85 £	20	102⅛	103⅛	0	−0⅛	[illegible]
Banobras 8¼ 90 KD	7	†95⅛	96⅛	0	0	[illegible]
CCCE 8¼ 91 KD	10	†93⅛	94⅛	0	0	[illegible]
Sonatrach 8¼ 90 KD	12	†94⅛	95⅛	0	0	[illegible]
Akzo 9¼ 87 LuxFr	500	96⅛	96⅞	0	0	10.12
Euratom 8 87 LuxFr	500	89⅛	90⅛	0	−0⅛	[illegible]
Euratom 9¼ 88 LuxFr	500	98⅛	99⅛	−0⅛	−0⅛	[illegible]
EIB 9¾ 88 LuxFr	500	98⅛	99⅛	0	+0⅛	[illegible]
Volvo 9¾ 87 LuxFr	500	96⅛	97⅛	0	0	[illegible]

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bk. 5¼ 87	0¼	98⅛	98⅝	2/1	10.44	[illegible]
Bank of Ireland 5½ 89	‡0⅛	97⅛	98⅛	21/8	11.81	[illegible]
Bank of Tokyo 5¼ 89	[illegible]	96⅛	97⅛	25/10	16.56	[illegible]
Barclays O/S Inv. 5 90	0¼	97	97½	13/12	9¾	[illegible]
Bergen Bk. A/S 6 89	‡0⅛	97	97½	29/8	10	[illegible]
Bilbao Int. NV 5½ 90	0¼	96⅛	97⅛	29/11	10.06	[illegible]
Citicorp O/S F. 93	§‡0	99⅛	99⅝	28/8	10.19	[illegible]
Citicorp O/S F. 84	‡0	98⅛	99	30/7	9.69	[illegible]
C. Itoh 5¼ 87	0¼	98⅞	99⅜	18/9	13.44	[illegible]
Co-operative Bk. 5 86	0¼	98	98½	15/11	11.44	[illegible]
Creditanstalt 5½ 91	§‡0¼	97⅛	97⅝	14/9	9.44	[illegible]
CNT 5¼ 86	§0¼	100⅛	100⅝	16/10	[illegible]	[illegible]
GZB 5½ 89	‡0⅛	97⅛	98⅛	1/11	9.81	[illegible]
Jugobanka 8 89	0⅞	90	92	23/11	[illegible]	[illegible]
Ind. Bank Japan 5¼ 85	0¼	99⅛	99⅝	15/10	[illegible]	[illegible]
Lloyds Eurofin 8 90 £	0¼	96½	97	3/1	[illegible]	[illegible]
LTCB Japan 5¼ 85	0¼	97⅛	98⅛	13/12	[illegible]	[illegible]
LTCB Japan 5½ 89	0¼	97⅝	98⅛	7/12	[illegible]	[illegible]
Mitsui Fin. O/S 5½ 94	‡0⅛	97⅛	98⅛	31/8	[illegible]	[illegible]
Midland Intl. Fin. 5 89	0¼	97⅛	98⅛	25/12	[illegible]	[illegible]
Midland Intl. Fin. 5¼ 92	0¼	97⅛	98⅛	9/12	[illegible]	[illegible]
Nacional Fin. 8¼ 86	0¼	97⅛	98	25/1	9.69	[illegible]
Nat West 5¼ 94	§0¼	99⅛	99⅝	11/10	[illegible]	[illegible]
Nippon Credit 6¼ 88	0¼	97⅛	97⅝	12/1	9.56	[illegible]
Nippon Credit 5¼ 87	‡0⅛	97⅛	98⅛	6/11	[illegible]	[illegible]
Royal Bk. Scot 5¼ 94	§0¼	98	98½	11/10	9.31	[illegible]
Soc. C. de Bque. 6¼ 87	0¼	99⅛	99⅝	3/10	20.06	[illegible]
Standard Chart. 5¼ 90	0¼	98⅞	99⅜	6/9	[illegible]	[illegible]
Svenska Hndlsbk. 5 87	0¼	98⅛	98⅝	15/7	10	[illegible]
Sweden 8¼ 91	‡0¼	†95⅛	96	18/10	[illegible]	[illegible]
Williams & Glyn 5¼ 91	0¼	98⅛	98⅝	14/9	[illegible]	[illegible]
Bq. E. d'Alg. 4¾ 89 SF	0¼	†90	91	18/12	[illegible]	[illegible]

Average price changes... On day [illegible] on week [illegible]

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem.
AGA Aktiebolag 7½ 89	10/79	145	†118	119	0	[illegible]
Ajinomoto 7½ 95	2/80	815.5	[illegible]	[illegible]	[illegible]	[illegible]
Alco Int. Fin. 9¼ 94	1/80	40	[illegible]	95	−1	[illegible]
Apache I. Fin. 8¼ 95	12/80	21.12	112	[illegible]	[illegible]	[illegible]
Asahi Optical 7 94	11/79	526.1	[illegible]	[illegible]	0	[illegible]
Blocker Energy 8¼ 95	1/81	21.87	†94	95	[illegible]	[illegible]
Canon 6¾ 84	8/79	570	113	114	[illegible]	[illegible]
Credit Suisse 4½ 93	10/79	1276	108	111	[illegible]	[illegible]
Daiei Inc. 6¼ 94	11/79	927.3	98	99	[illegible]	[illegible]
DDKK 11 90	4/80	324	[illegible]	[illegible]	[illegible]	[illegible]
Dynalectron 9¾ 95	8/80	12.22	[illegible]	[illegible]	[illegible]	[illegible]
Ensearch Fin. 9½ 94	7/80	30.25	[illegible]	127	−2	[illegible]
Meidensha Elec. 7 94	12/79	210	[illegible]	[illegible]	[illegible]	[illegible]
MEPC 8¼ 96	2/81	2.47	[illegible]	[illegible]	[illegible]	[illegible]
Mitsubishi Cp. 6½ 94	10/79	549.1	[illegible]	128	[illegible]	[illegible]
Nippon Seiko 7½ 94	12/79	339	[illegible]	[illegible]	[illegible]	[illegible]
SBC 6¾ 90	9/80	200	[illegible]	[illegible]	[illegible]	[illegible]
Toshiba Cpn. 7¼ 94	10/79	198	[illegible]	[illegible]	+2	[illegible]
Union Bk. Switz. 5 89	2/80	121.4	97	98	[illegible]	[illegible]
Fujitsu 5 84 DM	7/79	475	[illegible]	[illegible]	+1	[illegible]
Kansai Elec. 4 84 DM	4/79	1210	[illegible]	[illegible]	[illegible]	[illegible]
Sharp Cpn. 6¼ 88 DM	8/80	595	106	107	[illegible]	[illegible]
Uny Co. 6½ 85 DM	11/79	1071	[illegible]	[illegible]	[illegible]	[illegible]

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Ogem in talks with bankers

BY CHARLES BATCHELOR IN AMSTERDAM

THE TROUBLED Dutch trading, industrial and construction group Ogem, disclosed that it has been holding talks with its bankers. The company expects to make an annoucement "shortly" on the results of the discussions.

Trading in Ogem shares was suspended by the Amsterdam stock exchange for ona and a-balf bours yesterday. When trading resumed the share recovered to Fl 7.60 from the all-time low reached on Friday of Fl 6.90.

Ogem denied reports that it was trying to put together an additional financing package worth between Fl 300m and Fl 400m, and said it was using its normal credit lines to banks. However, the company is considering "selling off some of its property portfolio to release funds."

In May Ogem said it hoped to make a modest net profit for 1980 after going into the red last year. It is concentratiog its efforts tbis year and next on re-organising those of its activities which are making losses.

The rapid expansion of the company from its origins as a supplier of electricity and gas in the Dutch overseas territories into a widely diversified group led to the acquisition of some subsidiaries which have not matched up to expectations, Ogem said earlier this year. It is now disposing of a number of these.

It also plans to improve its financial ratios and to raise Fl 350m by cutting back on its project development activities on its foreign construction and installation work and on its overseas energy production interests.

Operating profit at Ogem fell 28 per cent to Fl 62m ($32m) last year while at the net level it made a loss of Fl 23.7m, compared with a profit of Fl 32.8m. It paid no dividend last year for the first time in more than a century.

Last year's loss accrued largely through a Fl 40m provision against special risks. The provision included Fl 11m against Middle Eastern contracts and Fl 14m for property deols in Europe.

Ogem purchased a major shareholding in the West German building group Beton and Monierbau some two years before the German group went bankrupt.

The Dutch pressore group for the improvement of company reporting standards, SOBI, yesterday sent letters to Ogem and to its main bank, Algemene Bank Nederland, warning that any special arrangement to secure banking credits to the company would disadvantage other shareholders.

Record for United Plantations

By Wong Sulong in Kuala Lumpur

UNITED PLANTATIONS, the Danish-owned Malaysian group, has reported its best ever half-yearly results, despite the fall in commodity prices.

Better-than-expected outpnt due to good weather, and forward selling, resulted in United Plantations showing a 30 per cent increase in after-tax profit of 13.3m ringgit ($6.21m) for its first-half ended June.

The group's palm oil production increased by nearly 12 per cent, and, due to forward selling, it was able to obtain prices 9 per cent better than for the previous comparable period.

The group said that judging from its first-half prodnction, it was confident that 1980 would be the best ever cropping year in the group's history because of this, and due to forward selling, ernings for the full year are expected to be "gratifying." An interim dividend will be announced later.

● At Kulim, another large Malaysian plantation group, the results were different. Its half-year results, ended June, showed a decline, with after-tax profit 6 per cent lower at 4.7m ringgit ($2.19m).

Despite a larger area coming under barvesting, adverse weather affected the palm oil crop which was 3 per cent lower at 13,700 tonnes, and unlike United Plantations, Kulim obtained lower prices for its palm oil. It received 923 ringgit per tonne, compared with 1,017 ringgit during the first half of 1979.

Its production of palm kernel remained at previous levels, but the price obtained was 30 per cent lower.

However, Kulim's rubber crop showed a significant recovery from the previous severe winter to show a 16 per cent increase at 1.075m kg and the price was 27 per cent higher. An interim dividend is expected to be made later.

Saga seeks links with Dyno

BY FAY GJESTER IN OSLO

SAGA PETROLEUM, Norway's only important wholly private enterprise oil company, is seeking a controlling interest in Dyno Industrier, a Norwegian chemicals and plastics group with a 40 per cent stake in a new 350,000 tonnes per year methanol plant in Holland.

It has no Dyno sbares at present, but has approached two of Dyno's largest shareholders, Norsk Hydro and Elkem-Spigerverket, with an offer to buy their holdings of 25 per cent and 11 per cent, respectively. Dyno is opposed to links with Saga.

Saga, which is backed by about 90 leading Norwegian shipping, business and industrial concerns, wants to co-ordinate Dyno's development with that of its own petrochemical offsboot, Saga Petrokjemi.

Dyno'a opposition has been endorsed by the head of the cbemical workers' union, Mr. Arthur Svendsen. This could influence tbe government's attitude to the deal.

Last week heavy buying of Dyno sbares pusbed the price up from NKr 150 to NKr 200. Tbey eased back to NKr 180 yesterday at which level the company is valued at the equivalent of $57m.

Saga describes its approach to Hydro and Elkem as "preliminary," and says the idea of co-ordinating Saga's and Dyno's activities was first put forward by Dyno itself, last autumn.

For its part, Dyno says the co-operation plaos put forward last autumn were "very different," and that its own situation has since changed.

Both Elkem and Hydro are being reticent about whether they will sell tbeir stakes in Dyno. Elkem bas refused to comment, and Norsk Hydro says the matter has not yet been dealt with.

Earlier this year, the Oil Ministry asked Norsk Hydro (52 per cent state owned), and Statoil (100 per cent state owned), to discuss with Saga and Dyno ways in whicb the four might be able to co-operate in utilising Statfjord and other Norwegian sector gas—if the government were to decide to pipe the gas to Norway, instead of selling it to Britain or the continent.

Tbe government wants the four to agree on one of three possible landfalls for a Norwegian gas pipeline. So far they have not heen able to do so.

Meanwhile, Saga's half year report shows higher than anticipated earnings before allocations, of NKr 9.2m.

Anniversary pay-out by Hitachi

BY OUR FINANCIAL STAFF

HITACHI, Japan's largest general electrical machinery maker, said tbat it may pay a special interim dividend for the first half-year, ending September 30, to commemorate its 70th anniversary, in addition to an ordinary interim dividend of Y3. It is expected that the special pay out will be Y1.

Hitachi is likely to declare a Y4 interim dividend for the second half, ending March 31, bringing to Y8 its total annual dividend compared with the Y6 paid last year.

Hitachi said that total first quarter, April-June, sales rose by 13 per cent to Y505.1bn ($2.24bn), including undisclosed export sales, from Y447bn a year earlier.

Orders received in the quarter rose by 18 per cent to Y573bn from Y485.6bn, including export orders of Y169.4bn, up 58 per cent from Y107.2hn.

The favourable business performance followed sizeable increases in exports of computers, video tape recorders and generators, io addition to increased domestic demand for semi-conductors.

The company has also announced that it intends to establish a joint company in Malaysia with the Selangor State to produce colour television components.

The new company, Hitachi Consumer Products (Malaysia) will be capitalised at 6.6m ringgit ($3.08m), it said.

Selangor will invest 10.6 per cent of the capital, with the remaining 89.4 per cent to be put up by Hitachi.

Hitachi said that operations are expected to start next July for the supply of products to Hitachi and world-wide to other television manufacturers.

Initial sales will be Y200m to Y300m a month, Hitachi added.

Kuehne and Nagel ahead

BY JOHN WICKS IN ZURICH

DESPITE considerable losses in Iran, the International forwarding agents Kuehne and Nagel achieved net profits of SwFr 6m ($3.65m) last year. This is tbe first time that the group bas disclosed its earnings.

Tbe family-owned concern recorded a lower cash-flow for 1979 of SwFr 26m, compared with SwFr 29m, after a rise in gross profits from SwFr 391m to SwFr 426m. For 1980 prospects are viewed with "subdued optimism" with at least maintenance of last year's results expected.

Federal Germany continues to play a dominant role in group activities. Of 1979 turnover, up from SwFr 2.69bn to SwFr 2.86bn, the German division accounted for 47 per cent.

Although it stayed well in the black, the German division suffered losses of some DM 2.5m in Iran last year. The "almost total breakdown of activities on tbe Iranian market" was also the main reason for the international division's losses.

Among individual activities, air-cargo business rose by 23 per ceot worldwide in 1979 and Kuehne is currently the second biggest IATA agent. Tbe group also draws particular attention to the "very positive" results of its shipbroking subsidiary.

Sharp increase for Pan Electric

BY GEORGIE LEE IN SINGAPORE

A BOOM in marine activities has enabled Pan Electric Industries to turn in one of its best performances to date. For the half-year ended June, 1980, pre-tax profit went up by almost five and a balf times compared with the previous year's first-half to S$5.05m (U.S.$2.37m) on group revenue wbich rose by only 22 per cent to S$55.8m (U.S.$26.23m).

Pan Electric is active in shipbuilding, offshore supply, towing and marine salvaging activities. It also maoufactures electrical appliances.

Tbe group earlier this year acquired Asiatic Navigation International's entire fleet of 14 tugs and 13 barges. It is now believed to be the operator of the largest tug and barge fleet east of Suez with 107 vessels of wide-ranging capabilities from towing oil rigs to salvaging vlces.

● Singapore plans to promote new offsbore financial activities including the listing and trading of international securities on the stock exchange, and the development of Singapore as an international funds management centre, the monetary authority of Singapore said, Reuter reports from Singapore.

"Measures are being studied on how to promote portfolio management, especially of offshore funds," the authority said in its 1979-80 annual report. International fund managers will be given encouragement to set up offices in Singapore.

Kelvinator purchase helps Email

By James Forth in Sydney

THE MAJOR whitegoods manufacturer, Email, almost doubled its profit in the balf-year to June with a rise from A$3.1m to A$6.1m (US$7m). However, the increase substantially resulted from the acquisition of Kelvinator Australia after a contest with another whitegoods group, Simpson. Kelvinator's results from January 1 contributed A$2.48m of the increase in group earnings and Email directors do not expect the percentage rise to be maintained for the full year.

The interim dividend has been held at 3 cents a share

Profits and dividends rise at Safmarine

By Des Kilalea in Johannesburg

SOUTH AFRICA'S major merchant shipping line Safmarine (South African Marine Corporation) reports a 36 per cent tocrease in gross revenne to R424m ($559m) from R313m for the year to end-June after rising import and export traffic and better tariffs. Profit before tax rose to R47.2m ($62.2m) from R23.2m while the surplus on the sales of assets, which ts distributable, was R5.6m (R4.1m). The company bas declared a dividend of 25 cents a share, compared to 17 cents last year.

Safmarine is controlled by the Industrial Development Corporation, wbile British Commonwealth Shipping (BCS) owns 25 per cent of the equity. Last November's R36m rights issue increased the number nf shares to 52.3m from 34.3m which gave earnings for the year to end-June of 67 cents compared to 61 cents

● Unisec, a Johannesbnrg-based investment holding company with interests ranging from tobacco prodncts distribntion to property, bas reported a 41 per cent increase in pre-tax profits to R2.81m ($3.7m) at the balf-way stage to June 30. On taxed earnings of 11.2 cents a share (8.2 cents), tbe group bas declared an interim dividend of 5.5 cents (4.5 cents), with a total of 16 cents (14 cents) for the year well within reach.

DEUTSCHE BANK

A toehold in Switzerland

BY KEVIN DONE IN FRANKFURT

CRACKS are beginning to show in tbe long-standing "gentlemen's agreement" between the major West German and Swiss banks that they sbould not trespass on each other's home territory.

For many years the big German banks have chiefly been conspicuous in Zurich aod Geneva by their absence, but the quiet move by the Deutsche Bank, the largest German institution, to set up a subsidiary in Geneva, could mark a turning point in this cosy relationship.

In the last ten years the leading German banks have expanded at an explosive rate overseas establishing branches or subsidiaries in all the most important financial centres around the world—except Switzerland.

Deutsche Bank has decided that this missing link in its network should now be filled. It is setting up a subsidiary in Geneva—to be called Deutsche Bank (Suisse)—aimed primarily at investment or portfolio management.

Tbis company, however, will in turn establish a small branch in Zurich, the capital of Swiss commercial banking. From bere it will be able to provide Deutsche Bank (Suisse) with ready access to any of the day-to-day banking services, such as foreign exchange, of the capital and gold markets, needed to meet the more sopbisticated demands of its new clients.

The Swiss themselves have never needed to come across the border into West Germany to set up expensive branches, because the obvious attractions of its own secretive banking system have been enougb to attract a steady flow of funds.

The Deutsche Bank is not specifically ioterested in sucking in "hot" money from West Germany, reasoning that West German citizens with funds to htde from the Federal Republic's tax authorities would in any case shy away from opening up relationships with a German bank, even through a numbered account.

It has a definite interest, however, in being able to offer clients around the world the security and anonymity that are synonymous with Swiss banking, and this means setting up a fully fledged subsidiary in its own name to enter the Swiss trust and portfolio business.

The funds flowing into Switzerland make this business attractive even for an institution of the size of the Deutsche Bank. According to Herr Werner Blessing, a senior executive with responsibility for part of the bank's international business: "The Deutscbe Bank has more than DM 67bn of managed portfolios, and wben we say Switzerland is interesting we are not thinking of just DM 100m or so."

Deutsche Bank's application to set up its Swiss subsidiary is already with the Swiss banking authorities, and no problems are expected in receiving approval.

Expansion into other fields is not foreseen. As a national market Switzerland is too small, and its major companies, such as Nestlé or Ciba Geigy, are judged to be far too well established in international markets to need any new services that could come from a German bank in Switzerland. The domestic new issue consortia are also virtually a closed shop with the underwriting gronps dominated by the powerful Swiss institutions.

Switzerland could be an alternative centre for offshore banking business, bnt for a bank that is already well established in Luxembourg and London, Zurich would have few added attractions.

Apart from Deutsche Bank, Dresdner Bank, the second largest West German bank, has for several years had a small presence in Switzerland. But this is managed in a rather indirect way as a branch of its Luxembourg subsidiary. In addition the Bayerische Vereinsbank, one of the big Bavarian regional banks, has a 50 per cent share in a Swiss bank, Wirtschafts- und Privatbank, beld jointly with Kreditanstalt of Vienna.

But one has to look to one of the relative minnows of the German banking system for a confirmation of the new interest in Switzerland.

The Badische Kommunale Landesbank, the publicly-owned central bank of the Baden savings banks, bas also decided to set up its own nameplate in Zurich, as Badiscbe Kommunale Landesbank (Schweiz), the first German Landesbank to do so. Again the aim is investment advice and portfollo management, but in Bakola's case it appears to be placing the emphasis on being able to offer its local Baden customers the sought-after direct access to the secrecy of the Swiss banking system.

WORLD STOCK MARKETS

Sharp early Wall St. setback

WORRIES ABOUT inflation and a possible upthrust in interest rates caused a sharp and widespread retreat on Wall Street yesterday morning in active trading as investors were spurred to secure profits won in the market's long advance. However, stock prices were showing some recovery by mid-session.

The Dow Jones Industrial Average, after falling 13.31 by 11 pm from last Friday's three-year high, picked up to 958.11 at 1 pm to leave a net decline of 8.61. The NYSE All Common Index was 65 cents off on balance at $71.42, after reaching $71.17, while declines outpaced advances at mid-session by a four-to-one ratio. Volume amounted to 29.57m shares, but was below the 35.14m recorded at 1 pm on Friday.

Analysts said news last Friday of an 8.2 per cent jump in the basic money stock raised fears that the Federal Reserve might tighten credit to check money growth. Also, Friday's report that wholesale prices rose 1.7 per cent in July revived concern about inflation.

Blue Chip, Computer and Drug issues posted sharp declines, while Oils were mixed. Du Pont lost 1¼ to $48⅞, Eastman Kodak 1⅞ to $63½, General Electric ¾ to $57 and active General Motors 1¼ to $56⅝.

IBM shed $1 to $67⅞, Honeywell ⅞ to $93⅜, Texas Instruments $1 to $120 and Tyco Laboratories ⅞ to $49⅜.

In the Drugs group, Eli Lilly slipped ⅞ to $56⅞, Johnson and Johnson ⅞ to $81½, Smithkline 1¼ to $62⅞ and Merck ⅞ to $79⅜.

Imperial of America fell $6 to $28⅞. It has ended talks to sell a savings and loan subsidiary.

THE AMERICAN SE Market Value Index was a net 2.86 down at 322.20 at 1 pm, after touching 320.57. Volume 4.17m shares (4.14m).

Volume leader C and K Petroleum rose 3¼ to $34⅞. Alaska Interstate has bid $35 for each C and K share.

Canada

Markets were also broadly lower in Canada at mid-day after a busy trade. The Toronto Composite Index receded 19.8 to 2,236.8, Golds 89.4 to 4,699.4 and Oil and Gas 43.3 to 4,810.6. In Montreal, Banks fell 2.57 to 387.38 and Papers 3.01 to 201.66.

Tokyo

The overall market was mixed with an easier bias after active trading, with Oils closing notably weaker. However, Steels, Trading Houses, Heavy Machinery Issues, Electricals and Shipbuilders gained ground on market speculation that the Bank of Japan might cut its official Discount Rate this week. Foreign investors actively bought some large-capital issues and Blue Chips.

The Nikkei-Dow Jones Average ended 1.03 easier at 6,835.78 and falls led rises on the First Market section by 343 to 278 after volume of 380m shares, against last Friday's 350. However, the Tokyo SE index gained 0.98 to 476.31.

Nippon Oil fell Y70 to a low for the year of Y1,090, Teikoku Oil Y21 to Y950 and Arabian Oil Y30 to Y2,550, but Trading House Mitsubishi put on Y8 to Y691.

Sony advanced Y90 to Y2,670, Pioneer Electronic Y100 to Y2,270, Nisshin Steel Y5 to Y151, Fuji Photo Film Y21 to Y672, Honda Motor Y9 to Y600, Matsushita Electric Y21 to Y782 and Sumitomo Metal Y9 to Y161, but Toyota Motor receded Y11 to Y782.

Foods, Constructions and Paper-Pulps declined.

Milan

Insurance and Bank issues led another strong session marked by heavy trading when the Milan market reopened yesterday after the three-day mid-August holiday week-end. The Banca Commerciale Italiana index gained 1.88 more to finish at a fresh 1980 peak of 121.86.

Several issues climbed to record levels for the year following good demand for companies with large real assets, a result of fears of a devaluation of the lira.

The big Industrials, however, closed generally lower. The Industrial sector is expected to face employment problems and slackened sales in the autumn.

RAS advanced Y4,090 to an all-time high of L176,990, Generali L2,700 to L82,200, Assicurazioni Milano L900 to L14,000 and Credito Italiano L140 to L2,330.

Rinascente, which saw large orders from a shareholder seeking a controlling interest in the chain store group, rose L12.5 to Y254.5.

In the Industrials sector, Fiat declined L45 to L1,590, but Olivetti gained L45 to L2,195.

Germany

Shares were mostly easier, with the market uncertain ahead of Thursday's Bundesbank Central Bank Council meeting, the first after the four-week summer break, and also in view of the mark's growing weakness. The Commerzbank index lost 5.0 to 735.0.

The Domestic Bond market was also down, recording losses of up to 80 pfennigs.

Australia

Indications that today's Federal Budget would be generally friendly toward's business helped markets to further improve initially yesterday. Gains were later pared by profit-taking, but the Sydney All Ordinaries index ended a net 4.81 higher at a closing record peak of 966.84.

Among Minings, CRA featured, jumping to A$6.30, before closing still 44 cents up on the day at A$6.24. MIM gained 8 cents at A$5.40, Western Mining 6 cents at A$6.18, and Consolidated Goldfields 30 cents at A$9.10. In Oils, Santos put on 40 cents to A$13.90, but Industrial boards leader BHP ended unaltered at A$15.40, after hitting a new 1980 high of A$15.50.

Hong Kong

In a very heavy trading session yesterday, the market staged a fresh advance with a great deal of speculative buying seen for selected stocks, before receding during the afternoon on profit-taking to close on a mixed note. The Hang Seng index, after climbing some 14 points more, came back to end a net 3.59 up at a new closing seven-year high of 1,180.96. Turnover on the four exchanges increased to HK$574.62m from last Friday's HK$444.87m.

Sun Hung Kai Properties featured with a rise of 60 cents at HK$17.90, the proposed rights and bonus issues, announced over the weekend being well received.

World International moved ahead 27.5 cents to HK$4.30 on heavy speculative demand, while Trafalgar gained 15 cents to HK$3.675 and Mai Hon 25 cents to HK$9.70, but Hongkong Telephone shed 30 cents to HK$[illegible].

Cheung Kong firmed 30 cents to HK$22.50 and Hong Kong Land 20 cents to HK$15.60, but HK Wharf shed HK$1 to HK$[illegible] while Swire Pacific "A" and Hongkong Bank lost 10 cents apiece to HK$8.80 and HK$[illegible] respectively.

Johannesburg

Gold shares turned downwards in quiet trading, reflecting the lower Bullion price. Among Heavyweights, ERPM retreated R3.25 to R40.00, following Friday's jump of R5.25 in response to its R300m expansion programme and rights offer. Buffels shed R1.50 to R51.50. Amgold fell R3.25 to R119.00 in Mining Financials.

Platinums, however, were firm, with Implats up 28 cents at R9.95 ahead of results. Industrials were mixed to firmer.

Closing prices for North America were not available for this edition.

Indices

Census shows increase in UK cereals

By Our Commodities Staff

THE traditional farming adage "up with corn, down with horn" was fully borne ont this year. According to the Ministry of Agriculture's latest farm census the English cereals area rose 2 per cent to 3.3m hectares (provisional) in June, 1980, compared with a year earlier, while the cattle herd declined 1 per cent to 8.16m head.

A 5 per cent rise to 1.4m hectares in the wheat area was responsible for tha increase in cereals. Total harley plentings were down 0.7 per cent. But the dramatic growth in winter barley continued with a 27 per cent rise to 722,000 hectares. Spring plantings occounted for just over 1m hectares (60 per cent of the total) compared with 1.23m hectares.

The breeding herd of dairy and beef cows wos down by 80,000 head, or 2.7 per cent, with most of the fall (58,000 or 2.4 per cent) coming in the dairy sector. But the beef herd decline was proportionately bigger at 22,000 head or 3.6 per cent.

On the crops side, early potato plentings were up 8 per cent to 21,000 hectares, beans for stockfooding up 16 per cent to 49,000 hectares, and oilseed rape up 24 per cent to 92,000 hectares. But maincrop potatoes and horticultural crops were down.

The English pig herd was up 1 per cent to 6.55m head while the sheep flock was up 4 per cent to 14.66m. The total poultry flock rose 2 per cent to 105.58m hirds.

The census showed a further reduction in the agricultural lobour force (inclnding farmers and their spouses) of 2 per cent to 524,000. A fall in regular whole-time workers was partly made up hy an increase in the numher of casual workers.

The total farm area rose 15,000 hectares to 9.58m but there was a continned switch away from renting, with rented land falling 1 per cent to 4.17m hectares and owned land rising 1 per cent to 5.4m hectares.

● Offerings of UK barley into intervention totalled 122,000 tonnes by the week ended August 15, compared with 82,000 tonnes offered by August 8, the Home Grown Cereals Authority said.

Deliveries totalled 19,730 tonnes bringing intervention stocks by August 15 to 41,431 tonnes.

Talks raise hope of end to U.S. copper strike

BY IAN HARGREAVES IN NEW YORK

LEADERS of 40,000 U.S. copper workers and Kennecott, the largest American copper producer, moet in Phoenix, Arizona, today in a bid to hreak the deadlock in a six-week-old strike.

The very fact that Kennecott has agreed to return to the hargaining tablo for the first national level talks since tha strike began is the source of optimism that it will soon he over.

Kennecott, apart from being the largest of the 10 strike-bound companies, is also regarded as tho moat exposed to its effects hoth from an operational and finoncial standpoint. It has lod the way towards an industry-wide settlement in a number of previous disputes.

But a Kennecott spokesman aaid yesterday, "It won't he o rapid settlomant. The problems facing both sides will probably take a week or two to poss over."

Kennecott's view is that a return to work before September is highly improhable.

Mr. Cass Alvin, for the joint union negotiating team, said the unions ware encouraged by the decision of Kennecott to start serious hargaining.

Mr. Alvin reiterated the union's view that the strike had been caused purely becouse tho industry wantod to use a poriod of oversupply in tho copper market to do plant maintonance work without having to pay its employeea.

"There are no issues or principlo at stake on tho labour sido in these negotiations. If ever thore was a year when o striko could have been avoidod, this was this, he aaid.

So far as the union negotiators are concerned, tho industry threw in o number of issues into the talks designed purely to prevent progress.

One of these wes o demand that new employees in tho industry do without the cost-of-living indexed components of the pay contract which copper workers, along with around half of union members in the U.S., have enjoyed since 1972.

The unions also have talks planned with Atlantic Richfield on August 28, bot other talks planned with Asarco havo heen called off at the company's request. Asarco aaid it could aee no hope of progress in current circumstances.

The unions are looking for a throe-yeor contract roughly in line with thot won earlier this year by tho aluminium workers. This, assuming infiotion of around 10 per cent a year, would amount to an approximately 35 por cent increase in pay and honefits over the life of tho agreement.

Our Commodities Staff writes: Signs that on ond to the strike may be in sight oncouraged a sharp sell-off in the London copper market yesterday. Dealers quoted today's Kennecott talks ond negotiations schedulod hotwoen the unions and Anaconda, another hig producor, next week as the moin factors in tho decline; which wiped £46 off the London Motal Exchange (LME) cash wirebars price to £848.5 a tonno. They noted that prices had slipped hack to the levels ruling hefore the striko hogon.

Tho fall come in apite of a fall in LME warehouse stocks last wook that was somewhat higgar than had heen predicted in the market. Copper stocks were down 550 tonnes to 114,575 tonnes; stocks of tin 150 tonnes higher at 2,810 tonnos; lead stocks higher at 47,850; hut zinc stocks fell 25 tonnos to 58,300.

Silvor stocks were 230,000 ozs down at 27,070,000 ozs.

Indonesia record rice crop hope

BY RICHARD COWPER IN JAKARTA

A COMBINATION of good weather and a more sophisticated application of fertilisers and insecticides means that Indonesia—the world's largest rice importer—will produce a record crop this year.

In a state-of-the nation speech at the weekend, to mark 35 years of Indonesian independence, President Suharto predicted that Indonesia would produce 20m metric tonnes of rice in 1980.

Experts reckon that the crop is likely to reach nearer 19m tonnes, compared with the 17m tonnes they estimote wos borvested last yeor.

There is, nevertheless, widespread agreement that this will he a record crop. With the spring harvest recording yields of as much oo 2.3 tonnes per hectare the warehouses of the State Logistics Agency (Bulog) —the organisation responsible for the pnrchase of domeatic and imported rice—are alreedy full to overflowing.

Bulog hao stocks in hoth its own and leased warehouses, of around 2.5m tonnes, of which 1.5m tonnes constitutes record domestic purchases.

If Indonesia, already among the world's top five producers, were to harvest 20m tonnes this year, it would hring the nation to the very edge of self sufficiency in rice. But the Government will certalnly he extremely happy to record a crop of 19m tonnes, o target it hod not expected to reach until 1982.

So far this year, Indonesia has imported 1.8m tonnes, with 80,000 tonnes of concessionol shipments due to arrive sometime ooon. Indonesia also has oome 600,000 tonnes on order from supplying countries.

If the harvest turns out to he as heavy as Indonesian officials are predicting, Bulog is unlikely to take delivery of a sizeable portion of this omount in 1980. With a bumper rice crop in the U.S.—the world's largest exporter—experts are predicting that considarahle quantities of rice might not find a market this yeer.

With an aversge annual production increose of just over 3.5 per cent during the past five years, Indonesia's growth record has been fairly good, but notil this year it hos heen more than offset by rising coosumption.

Per capita consumption of rico in Indonesia is rising at around 4 per cent a year, and with the current population growth of about 1.9 per cent a year Indonesia has to work extremely hard to meet the growing demand from its 145m inhahitants.

India yields bumper tea crop

By P. C. Mahanti in Calcutta

IN LINE with expectations of a bumper crop Indian tea output up to the end of June totalled 201.64m kilos compared with 176.44m kilos in tho samo period a year ago.

This shows a rise of 25.2m kilos or 14.29 per cent in the first six months of tho current year over the same period in 1979.

Tho real surge has taken place in north India whore tho output during tha first six months of this year has gone as high as 136m kilos compared with only 102m kilos last year. Tho jump at 33.36m kilos works out at a risk of 32.49 per cent.

The Assam Valley, which accounts for more than 50 per cent of North Indian output, shows a rise of 35.85 per cont which should set all rumours ot rest that the political agitation in Assam has been affecting tea production in the State.

The South Indian gardens, however, have not been able to get over the effect of a prolonged drought which hit them in the early part of the year. Their output still lagged behind the previous half-yearly figure of 73.73m kilos by 8.15m kilos or 11 per cent.

Ghana cocoa purchase

ACCRA — The Ghana Cocoa Marketing Board purchased 603 tonnes of cocoa in the seventh week of the 1979-80 maincrop season ended August 14.

Cumulative purchases for the season rose to 7,111 tonnes, compared with 12,091 tonnes at the same otage a year earlier.

Reuter

Metal Exchange

THE LONDON Metal Exchange will move to its new home in Plantation House, Fenchurch Street, on Monday September 29 it announced yesterday. The re-located market will be opened officially by Sir Peter Godsen, tho Lord Mayor of London, on the following day.

The move will end the LME's 98-year tenure of its base in Leadenhall market, which it assumed only five years after its foundation. The market's centenary was celebrated in 1977.

TROPICAL HARDWOODS

High taxation angers Malaysian growers

BY PAUL CHEESERIGHT RENCENTLY IN KOTA KINABALU

THE TIMBER industry in Sabah is waging a strenuous hut unavailing campaign to persuado the government of this eastern Malaysian state to reviso its 60.8 per cent royalty on tho f.o.h. price of log exports.

"The monthly royalty rates enhanced last year to tho highest level in the region cut directly and drastically into our investment returns," according to Datuk Haji Majid Khan, chairman of the local induatry association.

Speaking ot an asssociation meeting last month ho arguod that the high royalty rato, which compares with 2.0 per cent in Sarawak and 2.7 per cent in Peninsular Malaysia, meant there is little economic sense in continuing to extract logs.

In June the average f.o.b. price for Sabah hordwood loga was M$5.75 (£1.75) a cu ft. But the royalty, plus a timber development charge of 50 cents, left a balance of M$3.70 at a time when the average cost of production was M$3.72.

This arithmetic looves state officials unmoved and thero has been little inclination to meet the demands of the industry, except for the institution of a monthly meeting to establish o base price on which tho royalty is levied for the next month.

Depression

"What is happening is that the smaller producers, many of whom are under-copitalised, are being run out of husiness," said one timber executive. Officials concede the truth of this hut note thet many of the smaller operators are trying to carry on their operations on the hasis of 100 per cent horrowing, even down to basic equipment.

Their ottitude is thet if the Sahoh Foundation, a state agency which holds the higgest land concessions, can moke money—and it had net earnings in 1979 of more than M$100m (£20m)—then others can too.

The industry's ettitude is influenced by depression on the world markets, although in recent weeks there hove been indications of greater stability after o period of oluggishness. In Japan, the most important market for Sabah, stocks are heginning to run down, industry executives noted, although, aa they put it, "the European markot has fallen out of bed and tho U.S. markot is no better."

In tbe longor term, however, they feol that prices could rise sharply as huyers respond to Indonesian plans for holding back exports to 40 per cent of total production.

Nevertheless, tho sluggishness on the markets (coming after a 94.4 par cent rise in Sahoh prices lost yoar which resulted in a 54 per cent increase in Sabah timher export oarnings over 1978 to M$2.05hn) and the state Governmont's roaction to it, has sorved to undarline the success of officiol policy aimed at bringing the local industry more closely undor control.

The reasons for the policy ere as clear now as they ware in 1976, when broad aims wore laid down by Datuk Harris bin Mohammed Salleh, the Cbief Minister. They revolve around tba fact that timher is Sabah'a basic resource and ia therefore a primary source of employmont in tho state and provides the main flow of revenue to the government. Thus timber can bo, and is, the motor for stato development.

The royalty rate is an expression of tho desire to see that the main henefits of the hasic resource accrue to the citizens of Sabah rather than to the companies who manage its exploitation. The logical extension of this argument is a clash between the needs of the state and the desire of the comnanies involved in timber exploitation to see whot they consider an adequste return on their investment.

The present stote government, which took power in 1976 and whose term of office runs out in April next year, has outlined what it calls a "three-pronged strategy." It is:

● to reduce the export of timber logs, the most bosic form of timber trading;

● to encourage more domestic processing of timber;

● to embark on extensive reafforestation

The first prong of the policy was essentioily an attack on indiscriminote stripping of the forests, the running down without heed to renewal of a resource which takes between 60 and 80 years to regenerate. The Government laid down the target of a 50 per cent reduction in log exports between 1977 and the end of 1982.

As far as the timbor companies havo been concernod this policy has been pursued not only hy tho imposition of the royalty but hy the introduction of a quota syatom, worked out on a quarterly hasis without any corryover from one quarter to the next.

The aim of the second prong of the policy is to add more value and to increase local employmont opportunities. Australian experts have estimoted that compared with producing loga, producing aawn timber raises employment by between three and five timea.

Dubious

The policy has had some success although the industry itself is duhious about the economics. Certainly Sabah for the first tima in 1979 becamo a net exporter of sawn timber, when sales abroad reached 79,891 cubic motres, compared with 20,920 cuhic metreo in 1976. And in the first four months of this year, sales reached 64,294 cuhic metres.

Veneer and plywood exports, which fell after 1976, have picked up steadily over tho last two years. This is in keeping with the industry's general expansion which hes seen the number of sawmills rise to 203 by the end of last June from 116. Now there are 13 wood complexes operating in Sahah and 11 more under consideration.

The reafforestation effort — the third prong of policy hut also part of a wider federal Malaysian plan—is centred on o joint venture between the Sabah Foundation and North Borneo Timbers called Sahah Softwoods and the Sabah Forestry Development Authority.

All of these policies will bave a profound effect on the world trade in tropical hardwoods. The Asia-Pacific region's export capacity meets about half the world's needs, ond of this percentoge the Malaysian share is about one fifth. And Sabah's accounts for around half of Malaysia's exports.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Fell heavily on the London Metal Exchange. The weakness of American markets late on Friday following news that Kennecott and Anaconda are to hold talks with mine workers saw three months' metal open sharply lower at £890—compared with a close on the kerb on Friday of £907—and fall further to £866 on the morning kerb in the wake of widespread general selling which triggered stop-loss selling and fresh selling. The market steadied in the afternoon on short covering and closed the late kerb at £873.5, having touched extremes of £867 and £874. Turnover: 24,500 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	852-4	-48.5	846-9	-48
3 months	871-2	-47.7	867.5-8	-44.7
Settlem't	854	-48	—	
Cathodes				
Cash	828-8	-48	819-22	-45
3 months	846-8	-48.5	845-6	-42.5
Settlem't	835	-47		
U.S. Prod			*88.8-104	

Amalgamated Metal Trading reported that in the morning three months wirebars traded at £886, 84, 81, 80, 80.5, 81, 82, 81, 80, 79, 78, 76, 74, 72. Kerb: Wirebars, three months £873, 74, 72.0, 72, 71, 70, 68, 66, 65, 66, 66.5. Afternoon: Wirebars, three months £870, 50, 51, 70, 71, 70.0, 71, 70.5, 69, 68, 67.5, 67, 67.5. Kerb: Wirebars, three months £867, 68, 69, 70, 71, 72, 73, 72, 73, 74, 73.5, 74.

TIN—Held steady. A slight fall at Penang coupled with general lack of interest saw forward metal ease from £7,120 to £7,100 on the pre-market, before recovering to £7,135 in the rings owing to covering against physical interest. In the afternoon the price edged further ahead and closed the late kerb at £7,150 following renewed covering against physical demand in the U.S. Turnover: 560 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7130-40	+50	7120-30	+2.5
3 months	7130-40	+30	7130-40	+12.5
Settlem't	7140	+50	—	......
Standard				
Cash	7130-40	+50	7120-30	+2.5
3 months	7130-40	+38	7150-40	+7.5
Settlem't	7140	+50	—	......
Straits E.	182147	-4	—	......
New York				

Morning: Standard, cash £7,140. Afternoon: Standard, three months £7,125, 20, 25. Kerb: Standard, three months £7,145.

LEAD—Little changed on balance. The initial weakness of copper saw three months lead fall from £380 to £374 during the morning rings but the market rallied during the afternoon when forward metal moved up to £384 before closing the late kerb at £383.5. Turnover: 6,475 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	360.5-1.5	-1.25	565-6	-.5
3 months	374.5-5.5	-.75	580-.5	+1.25
S'ment	361.5	-2	—	......
U.S. Spot	—	......	*40-44	......

Morning: Three months £376, 77, 75, 76.5, 78. Kerb: Three months £374, 73.5. Afternoon: Three months £377, 80. Kerb: Three months £382, 83, 84, 83.5, 83, 84.

ZINC—Unchanged for forward metal which moved within narrow limits prior to closing the late kerb at £343. Turnover: 8,550 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	328-.5	-1.25	330-1	-.5
3 months	340.5-1	-.75	343-.0	......
S'ment	328.5	-1.5	—	......
Primw'ts	—	......	*50.5	......

Morning: Cash £328, three months £340. Kerb: Three months £341. Afternoon: Three months £340.5, 42, 43, 43.5, 43. Kerb: Three months £343, 42, 42.5, 42, 43.

ALUMINIUM—Marginally easier on balance. The decline in copper upset sentiment throughout the morning when forward metal dipped to £739. However, the price gradually regained its initial loss and moved ahead to close the late kerb at £744.5. Turnover: 5,325 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
	£	£	£	£
Spot	768-70	-7.5	770-4	-4.5
3 months	742-5	-1	743-4	-1.5

Morning: Cash £770, three months £745, 44.5, 44, 43. Kerb: Three months £743, 42. Afternoon: Three months £742, 43.

NICKEL—Lower in quiet trading with forward metal falling from £2,835 in the morning to a low of £2,813 in the afternoon rings owing to the decline in copper. On the late kerb, however, the price rallied slightly to close at £2,817.5. Turnover: 390 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
Spot	2800-10	-10	2790-800	-9.5
3 months	2825-50	-19	2810-5	-22.5

Morning: Three months £2,830, 35, 25. Afternoon: Three months £2,825, 20, 15, 13. Kerb: Three months £2,819.

*Cents per pound. ‡SM per picul. †On previous unofficial close.

SILVER

Silver was fixed 13.3p an ounce lower for spot delivery in the London bullion market yesterday at 653.9p. U.S. equivalents of the fixing levels were: spot $15.491, down 37.6c; three-month $15.876, down 38.4c; six-month $16.274, down 32.2c; and 12-month $17.13, down 38.3c. The metal opened at 663p-671p ($15.7-$15.9) and closed at 654p-662p ($15.5-$15.7).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	653.90p	-13.3	660.0p	-8.5
3 months	680.30p	-13.8	685.25p	-8.25
6 months	708.80p	-15.4	—	......
12 months	746.10p	-15.7	—	......

LME—Turnover 66 (94) lots of 10,000 ozs. Morning: Three months 682, 81, 78, 80, 77, 76. Kerbs: Three months 675. Afternoon: Three months 683, 84, 84.5, 86. Kerbs: Three months 686.

COCOA

Cocoa futures continued to trade quietly within the narrow price range recently established. Both producers and consumers remained withdrawn, while physical business also among the brokers is limited, reports Gill and Duffus.

COCOA	Yesterd'ys Close	+ or —	Business Done
Sept	980-981	+1.5	982.73
Dec	1023-24	-2.9	1035-18
March	1064-65	-4.0	1066-50
May	1085-86	-4.0	1085-80
July	1102-08	-2.0	1104-00
Sept	1130-30	—	1120
Dec	1140-55	-2.5	—

Sales: 778 (788) lots of 10 tonnes.

COTTON

LIVERPOOL—No spot or shipment sales were recorded. Until prices show some reduction it seems unlikely that buyers will come out in force. Only static transactions were under review, mostly in African and Middle Eastern styles. Business generally was of an exceedingly low ebb.

COFFEE

Robustas continued to fluctuate in the recent price range in light volume and mixed dealings, reports Drexel Burnham Lambert. Increased interest in physicals together with uncertainty over any fresh outcome of Brazil's export policy was seen to contribute towards early steadiness. However, the failure to break through chart resistance levels attracted trade selling, profit-taking and light producer liquidation.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Sept	1252-35	-6.0	1247-27
Nov	1276-77	-10.5	1297-77
January	1310-12	-14.5	1329-10
March	1290-00	-10.0	1315-07
May	1309-10	-13.0	1329-02
July	1318-21	+1.0	1325-12
Sept	1520-55	+19.5	—

Sales: 2,044 (3,690) lots of 5 tonnes.

ICO Indicator prices for August 15: (U.S. cents per pound). Other Mild Arabicas 144.83 (142.67). Robustas ICA 1976 137.00 (136.00). ICA 1968 137.25 (136.25). Unwashed Arabicas 207.50 (same). Comp. daily ICA 1968 170.81 (170.03).

GRAINS

LONDON GRAIN FUTURES—Grains opened 15p lower, and values quickly eased on aggressive commercial and shipper selling. Wheat saw a reasonable trade but sellers narrowed the wheat/barley spread slightly, the main pressure being in nearby options. Barley saw a good volume today, and values closed 35p-45p lower on the day, the main selling pressure being on the September, reports Acli.

WHEAT M'nth	Yesterday close	+ or —	BARLEY Yesterday close	+ or —
Sept	94.55	-0.50	89.60	-0.45
Nov	97.55	-0.45	93.75	-0.40
Jan	101.55	-0.35	97.80	-0.49
Mar	105.25	-0.50	101.40	-0.25
May	108.80	-0.45	104.90	-0.25
July	118.30	-0.40	—	

Business done—Wheat: Sept. 94.80-94.50, Nov. 97.75-97.55, Jan. 101.90-101.65, March 105.50-105.30, May 108.95-108.80, July 112.20-112.20. Sales 219 lots of 100 tonnes. Barley: Sept. 89.80-89.50, Nov. 93.90-93.65, Jan. 97.95-97.70, March 101.50-101.20, May 105.00-104.65. Sales 486 lots of 100 tonnes.

IMPORTED — Wheat: U.S. Dark Northern Spring No. 2, 14 per cent, Sept. 97, Oct. 100.25, Nov. 101.50, transhipment East Coast. U.S. Hard Winter, 13½ per cent, Aug. 95.25, Sept. 96.75, Oct. 98, East Coast. English Feed fob Sept. 99, Oct. 100, East Coast. Maize: French Sept. 123.50, transhipment East Coast. S. African Yellow Sept.-Oct. 90. Barley: English Feed fob Oct. 95 seller, East Coast. Rest enquoted.

HGCA — Locational ex-farm spot prices. Feed barley: Eastern 85.90, E. Midlands 86.20, N. East 86.60, Scotland 81.30.

The UK Monetary Coefficient for the week beginning Monday, August 25, is expected to remain unchanged.

RUBBER

The London physical market opened steadier, with little interest at higher levels, closing easier. Lewis and Peat reported an fob September price for No. 1 RSS in Kuala Lumpur of 306 (301) cents a kilo and SMR 20 at 272.5 (268).

No. 1 R.S.S.	Yest'day Close	Previous Close	Business Done
Sept	62.10-65.95	65.00-65.00	62.50
Oct	63.00-64.00	65.90-65.00	—
Oct-Dec	65.50-64.80	64.90-64.90	65.50-65.80
Jan-Mar	67.50-67.40	68.20-68.30	68.70-67.00
Apr-Jne	70.20-70.40	71.20-71.30	71.70-70.20
Jly-Sept	73.00-73.10	73.80-74.00	73.75-73.00
Oct-Dec	75.50-75.60	76.40-76.50	76.50-75.60
Jan-Mar	78.10-78.20	78.90-79.00	78.30-78.00
Apl-Jne	80.70-80.80	81.70-82.00	80.80

Sales: 458 (501) at 15 tonnes; 1 (4) at 5 tonnes.

Physical closing prices (buyer) were: Spot 61.50p (same); Sept. 63.25p (63.75p); Oct. 63.75p (64.25p).

SOYABEAN MEAL

The London market opened slightly easier on slow nearby demand, reports T. G. Roddick. Prices drifted but ran into fresh buying and the market rallied to close with little change on the day.

	Yest'rday Close	+ or —	Business Done
	£ per tonne		
August	—		—
October	115.10-15.5	-0.05	115.20-12.90
December	117.50-17.7	-0.25	117.80-18.60
February	118.80-20.5	-0.55	118.50
April	121.70-21.9	-0.50	—
June	122.00-23.5	-0.55	—
August	122.00-25.9	-1.0	—

Sales: 98 (162) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £325.00 (£334.00) a tonne cif for Aug.-Sept.-Oct. shipments. White sugar daily price was £334.00 (£330.00).

The market opened steady and registered small gains, but at this stage an announcement from Brussels that the management committee had agreed in principle a reduction in compulsory levels of minimum stocks by 2 per cent to 5 per cent produced some heavy trade selling and lower prices, reports C. Czarnikow.

No. 4 Contract	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
Oct	545.00-45.25	552.75-55.50	552.00-58.00
Jan	554.25-58.00	565.75-58.00	—
Mch	558.05-58.25	567.50-67.75	567.75-55.00
May	548.50-49.75	556.50-58.00	557.00-45.00
Aug	555.08-54.00	538.00-40.00	555.25-20.00
Oct	520.00-21.00	526.00-27.50	526.00
Jan	504.00-18.00	—	—

Sales: 7,435 (5,642) lots of 50 tonnes.

NUMBER 2 CONTRACT—Close (in order buyer, seller, business, sales). Aug. 310.00, 318.00, 330.00-310.00, 136; Oct. 349.00, 350.00, 356.00-346.00, 399. Sales: 535 (440).

Tate and Lyle ex-refinery price for granulated basis white sugar was £342.5 (same) a tonne for home trade and £420.50 (£431.00) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for August 15. Daily price 33.48 (34.01); 15-day average 31.41 (31.02).

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order buyer, seller, business, sales). New Zealand cents per kilo). Aug. 353, 364, nil, nil; Oct. 360, 366, 365, 2; Dec. 366, 370, nil, nil; Jan. 368, 370, 369, 1; March 370, 373, nil, nil; May 367, 374, 373-372, 3; Aug. 369, 377, 378-375, 5; Oct. 373, 377, 378, 3; Dec. 374, 378, 377, 2; Jan. 375, 382, nil, nil. Sales: 16.

SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). Australian cents per pound. Oct. 456.0, 459.0, 460.0-459.0, 41; Dec. 463.5, 465.0, 465.5-464.0, 35; March 470.5, 471.0, 471.7-470.9, 27; May 473.0, 474.0, 475.0-472.5, 25; July 476.0, 478.0, 477.5-477.0, 2; Oct. 477.0, 478.0, untraded; Dec. 476.0, 478.0, 478.5-476.5, 1. Sales: 131.

BRADFORD WOOL—No buying movement was evident at the close of the holiday break but a slight stirring of interest prevented a deterioration in the market's tone.

POTATOES

LONDON POTATO FUTURES—Trade was hesitant at first, before some commission house buying appeared. Prices remained in a narrow range, with November and February closing steady at the highs, reports Coley and Harper. Closing prices: Nov. 41.20, +10 (high 41.20, low 41.00); Feb. 48.20, +30 (high 48.20, low 48.00); April 54.70, unchanged (high 54.90, low 54.80). Turnover: 53 (51) lots of 40 tonnes.

TEA AUCTION

LONDON TEA AUCTION—49,101 packages were offered at yesterday's auction; demand was only fair. North Indians were irregular, plainest shed several pence. Africans were generally lower, except selected mediums which were dearer. Dusts were weak and often neglected. Ceylons were mainly 3p-5p easier, with dusts unwanted. Quotations: Quality 145p per kilo (146p): Medium 98p (95p): Plain 68p (70p).

PRICE CHANGES

In tonnes unless otherwise stated.

	Aug. 18 1980	+ or —	Month ago
Metals			
Aluminium	£810/810	......	£810/815
Free Mkt	$1849/1970	-10	$1770/90
Copper			
Cas w'bar	£848.5	-46	£933.5
3 mths	£867.75	-44.75	£952.25
Cash Cathode	£820.5	-43	£908.5
3 mths	£845.5	-42.5	£929.5
Gold troy oz	$618.5	-18	$618.5
Lead Cash	£365.5	-0.50	£338
3 mths	£380.25	+1.25	£348.5
Nickel	£3,185.45	......	£3,245.55
Freemkt (elf lb)	280/305c	......	300/310c
Platin'mtr'y oz	£182.50	......	£182.50
Free mkt	£265.90	......	£258.55
Quicksilvert	$405/415	+2.5	$395/405
Silver troy oz	653.90p	-13.5	554.00
3 mths	680.15.55	-13.55	680.5p
Tin Cash	£7,135	+8.5	£7,395
3 mths	£7,155	+7.5	£7,850
Tungsten 22.04lb	$145.59	......	$142.55
Wolfrm 22.04 lb	$148/151	......	$149/148
Zinc cash	£330.5	-0.55	£325.5
3 months	£343.25	......	£306.5
Producers	$780	......	$780
Oils			
Coconet (Phil)	$080r	......	$570
Groundnut	‡	......	‡
Linseed Crude	£401	-8	£415
Palm Malayan	$530t	-5	$570
Seeds			
Copra Philip	$430r	......	$475
Soyabean (U.S.)	$306s	-6	‡
Grains			
Barley Futures	£93.70	-0.49	£95.40
Maize			
French No3AM	‡	......	‡
Wheat			
No.1 Red Spg.			
No 2 HardWint	£95.20	-1	£94.30
Eng. Milling	‡	......	‡
Other commodities			
Cocoa ship't	£1,084	-8	£1,117
Future Dec.	£1,025.5	-8	£1,071
CoffeeF't Nov.	£1,275	-18.0	£1,355.0
Cotton A Index	85.25c	......	90.80c
Rubber (kilo)	61.50p	......	56.30p
Sugar (Raw)	£325	-9	£365
Woolt'ps 64s kl.	386p kilo	......	386p kilo

‡ Unquoted. r Aug.-Sept. s Sept. t Oct. c Indicator. § Buyer. † Per 76-lb flask.

MEAT/VEGETABLES

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 61.5 to 65.8; Eire hindquarters 74.0 to 70.0, forequarters 40.0 to 42.0. Veal: Dutch hinds and ends 97.0 to 102.0. Lamb: English small 49.0 to 80.0, medium 48.0 to 49.0, heavy 45.0 to 46.0; Scottish medium 47.0 to 54.0, heavy 46.0 to 48.0. Imported frozen: NZ PL 58.0 to 51.0, PM 52.0 to 54.0. Pork: English, under 100 lb 39.0 to 49.0, 100-120 lb 38.0 to 49.0, 120-160 lb 36.0 to 44.0. Grouse: Young best each 200.0 to 240.0, old each 100.0 to 140.0.

MEAT COMMISSION—Average fatstock prices at representative markets on August 18. GB cattle 73.89p per kg lw (-0.12): UK sheep 109.76p per kg est dcw (-2.72): GB pigs 64.50p per kg lw (-0.23).

COVENT GARDEN—Prices in sterling per package except where otherwise stated. Imported Produce: Oranges—Moroccan: 54/113s 5.00-5.40; Californian/Sunkist: Valencia Lates 72/113s 3.00-5.40; Outspan: Pretas/Navels 3.00-5.70. Lemons—Italian: 100/150s 5.50-8.00; Spania: trays 25/45s 2.40-2.80; Outspan: boxes 5.80-7.50. Grapefruit—Outspan: Marsh Seedless 4.30-6.35. Tangerines—Brazilian: Honey 80/125s per box 5.80, ½ boxes 3.30-3.50. Apples—Dutch: 22 lb Golden Delicious 3.20; Spanish: 20 lb Golden Delicious 4.20; 40 lb 6.00-8.50, Granny Smith 30 lb 9.00. Pears—French: per 28 lb Dr. Guyot 3.60, Williams' 4.00; Italian: per pound Dr. Guyot 0.13-0.14, Williams' 0.22. Peaches—Italian: 1½ trays 2.50-3.30. Nectarines—Italian: 4.00-5.00. Plums—Spanish: Santa Rosa 1.00-1.50; Italian: boxes, approx. 20 lb Burbanke 2.00, Belles 4.00. Apricots—Hungarian: per 10 lb 2.50. Grapes—per pound Cypriot: Cardinal 0.35, Sultana 0.30, Alphonse Lavallee 0.40. Melons—Israeli: Ogen 4.00-5.00; Spanish: Yellow 10 kp 2.80-3.50. Watermelons—Greek: per 20 kp 4.00, per 15 kg 3.60. Bananas—Jamaican: 28 lb per pound 0.17. Tomatoes—Jersey: 3.20; Guernsey: 3.00-3.50; Dutch: 3.20-3.40. Onions—Spanish: 4.20-4.30. Cabbages—Dutch: White 3.20. Capsicums—Dutch: Green 3.00, Red 7.00. Greengages—Spanish: 2.70-3.40. Grapes—Israeli: Regina 2.80-3.00.

English Produce—Potatoes—per bag, new 1.20-1.40. Mushrooms—per pound 0.40-0.60. Apples—per pound Grenadier 0.08-0.10, Howgate 0.12-0.13, George Cave 0.16-0.20, Miller's Seedling 0.16, Discovery 0.20-0.26. Plums—per 12 lb Czar 1.00-1.20, Quillin's Gage 1.60. Cabbages—per bag 1.80. Cauliflowers 1.80. Peas—a lu— —per 12 1.00-1.80. Peas—per pound 0.06. Beetroots—per bag 1.00. Cucumbers—trays 10/20 2.60-2.80. Tomatoes—per 12 lb 3.00-3.20. Lettuces—per 12 round 0.90-1.20, Cos 1.30, Webbs 1.30. Carrots—New crop 28 lb 1.00-1.80. Onions—per bag 2.20-2.50. Celery—per 20/30 2.40-2.50. Marrows—box 12/15s 0.80-0.90. Capsicums — per pound 0.25. Runner beans—per pound 0.15-0.25. Swedes—per 28 lb Devon 1.00-1.40. Courgettes—per pound 0.12. Sprouts—per pound 0.18-0.20.

★

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £4.50-£5.50, codlings £2.00-£3.50. Medium haddock £3.00-£4.00, small £1.00-£5.00. Medium plaice £4.40-£5.40, best small £3.40-£5.00. Skinned dogfish (large) £9.50, medium £4.00-£4.50. Coelfish £10.00. Lemon soles (large) £8.00, medium £7.50.

AMERICAN MARKETS

NEW YORK, August 18.

THE LIVESTOCK complex finished lower as demand for cash product appears to have slackened. Sugar sold off moderately on reports of a better French beet crop. Copper continued its slide as labour negotiations intended to terminate the industry strike are getting under way. Precious metals opened weak on a strong dollar and higher interest rates but rallied sharply on reports from United Arab Emirates that a war with Israel might be necessary to recapture East Jerusalem. Coffee sold off on a lack of trade support. Cocoa was featureless. A late rally in grains and soyabeans established the daily highs on the close. Cotton kept recovering from sharp losses all day, reported Heinold.

Potatoes (round whites)—Nov. 87.5 (88.0), March 118.0-119.5 (121.7), April 144.5-144.8.

¶Silver—Aug. 1079.5 (1576.5), Sept. 1582.0-1580.0 (1582.0), Oct. 1601.0, Dec. 1629.0-1633.0, Jan. 1650.0, March 1685.0, May 1725.0, July 1755.0, Sept. 1790.0, Dec. 1842.5, Jan. 1850.0, March 1895.0, May 1930.0. Sales: 3,200. Handy and Harman bullion spot 1565.0 (1575.0).

Sugar—No. 11: Sept. 33.10-33.20 (33.26), Oct. 33.90-34.00 (33.84), Jan. 34.50, March 34.95-35.15, May 34.15-34.25, July 33.10-33.20, Sept. 31.25, Oct. 30.40-30.90, Jan. 28.30-29.80.

Tin—770.0-780.0 (771.0-781.0).

CHICAGO, August 18.

Lard—Chicago loose 23.00 (same). New York prime steam 23.00 (same).

Live Cattle—Aug. 74.10-73.92 (74.55), Oct. 68.75-68.97 (70.17), Dec. 68.20-68.05, Jan. 69.70, Feb. 69.90-69.70, April 71.40-71.25, June 72.50-72.40.

Live Hogs—Aug. 49.55-49.80 (50.22), Oct. 43.80-43.70 (44.65), Dec. 45.05-45.20, Feb. 47.60-47.50, April 48.40, June 49.50, July 50.90, Aug. 50.30, Oct. 49.00.

‡‡Maize—Sept. 337-338 (333½), Dec. 336¾-337½ (333¼), March 346-347, May 348¾-349, July 349, Sept. 341.

Pork Bellies—Aug. 50.67 (52.67), Feb. 61.80 (63.60), March 61.45, May 62.20, July 62.30, Aug. 61.45.

Silver—Aug. 1598.5 (1576.5), Sept. 1609.5 (1584.0), Oct. 1015.0, Dec. 1645.0, Feb. 1680.5, April 1720.0, June 1748.5, Aug. 1782.5, Oct. —, Dec. 1850.5, Feb. —, April 1920.5, June 1955.5, Aug. 1990.5, Oct. —, Nov. —.

†Soyabeans—Aug. 741 (729½), Sept. 744-743 (732¾), Nov. 763-760, Jan. 777-775, March 791-791½, May 800, July 801, Aug. 798.

‖Soyabean Meal—Aug. 207.0 (205.4), Sept. 209.0-208.5 (207.0), Oct. 211.0-211.5, Dec. 215.8-215.0, Jan. 217.5, March 218.5-219.0, May 220.0-221.0, July 222.0-222.5, Aug. 219.5, Sept. 218.0.

Soyabean Oil—Aug. 25.20 (25.35), Sept. 25.70-25.65 (25.67), Oct. 25.95-26.00, Dec. 26.30-26.25, Jan. 26.40, March 26.75, May 26.90, July 27.00, Aug. 27.00-27.10, Sept. 27.00-27.10.

†Wheat—Sept. 448-447½ (444½), Dec. 470-470½ (466¾), March 489-488½, May 492½-493½, July 491-491½, Sept. 497-497½.

WINNIPEG, August 18. §Barley—Oct. 134.80 (133.00), Dec. 134.90 (133.20), March 135.90, May 135.90, July —.

All cents per pound ex-warehouse unless otherwise stated. *$ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen.

EUROPEAN MARKETS

ROTTERDAM, August 18.

Wheat—U.S. No. 2 Dark Hard Winter, 13.5 per cent, Aug. $205, Sept. $206, Oct. $210, Nov. $213, Dec. $216. U.S. No. 2 Red Winter, Aug. $195, Sept. $196, Oct. $197. U.S. No. 2 Northern Spring, 14 per cent, Aug. $207, Sept. $208, Oct. $214.50, Nov. $217.50, Dec. $223.

Maize—Afloat $169, Aug. $165, Sept. $163, Oct. $163, Nov. $164.50, Dec. $167, Jan.-March $171, April-June $171.50 sellers, Oct.-Dec. $164 traded.

Soyabeans—U.S. Two Yellow Gulfports Aug. $298, Sept. $298, Oct. $297, Nov. $297 sellers, $296 bid, Dec. $311.50 sellers, $309 bid, Jan. $318 sellers, $315 bid, Feb. $321.70, March $323.20, April $324.30 sellers. Argentine Aug. $285; Sept. $285, half-Sept./half-Oct. $288.50.

Soyameal—44 per cent protein U.S. afloat $242.50, Aug. $244, Sept. $250, Oct. $259, Nov.-March $270. Brazil Pellets afloat $256, Aug. $259.50, Sept. $266.50, Oct. $274, Nov.-March $282.

PARIS, August 18.

Cocoa (FFr per 100 kilos)—Sept. 900-950, Dec. 970-978, March 1010-1025, May 1020, July 1025, Sept. 1035. Sales at call 0.

Sugar (FFr per 100 kilos)—Oct. 3220-3225, Nov. unquoted, Dec. 3275-3290, March 3355-3385, May 3230-3320, July 3190-3280, Aug. 3140-3230, Oct. 3100-3180. Sales at call 0.

INDICES

FINANCIAL TIMES

Aug. 15	Aug. 14	M'nth ago	Year ago
274.45	275.47	278.61	283.80

(Base: July 1, 1952=100)

MOODY'S

Aug. 15	Aug. 14	M'nth ago	Year ago
1247.5	1247.5	1121.0	1071.5

(December 31, 1931=100)

DOW JONES

Dow Jones	Aug. 15	Aug. 14	Month ago	Year ago
Spot	448.08	450.88	435.17	401.40
F'tur's	461.71	461.76	443.20	411.78

(Average 1924-25-26=100)

REUTERS

Aug. 18	Aug. 15	M'nth ago	Year ago
1712.0	1755.5	1703.4	1578.4

(Base: September 18, 1931=100)

BASE LENDING RATES

A.B.N. Bank ... 16 %	■ Hambros Bank ... 16 %
Allied Irish Bank ... 16 %	■ Hill Samuel ... §16 %
American Express Bk. 16 %	C. Hoare & Co. ... †16 %
Amro Bank ... 16 %	Hongkong & Shanghai 16 %
Henry Ansbacher ... 16 %	Industrial Bk. of Scot. 16½%
A P Bank Ltd. ... 16 %	Keyser Ullmann ... 16 %
■ Arbuthnot Latham ... 16 %	Knowsley & Co. Ltd. ... 18 %
Associates Cap. Corp. 16 %	Langris Trust Ltd. ... 16 %
Banco de Bilbao ... 16 %	Lloyds Bank ... 16 %
Bank of Credit & Cmce. 16 %	Edward Manson & Co. 17 %
Bank of Cyprus ... 16 %	Midland Bank ... 16 %
Bank of N.S.W. ... 16 %	■ Samuel Montagu ... 16 %
Banque Belge Ltd. ... 16 %	■ Morgan Grenfell ... 16 %
Banque du Rhone et de la Tamise S.A. ... 16½%	National Westminster 16 %
Barclays Bank ... 16 %	Norwich General Trust 16 %
Bremar Holdings Ltd. 17 %	P. S. Refson & Co. ... 16 %
Brit. Bank of Mid. East 16 %	Rossminster ... 16 %
■ Brown Shipley ... 16 %	Ryl. Bk. Canada (Ldn.) 16 %
Canada Perm't Trust... 17 %	Schlesinger Limited ... 16 %
Cayzer Ltd. ... 16 %	E. S. Schwab ... 16 %
Cedar Holdings ... 17 %	Security Trust Co. Ltd. 17 %
■ Charterhouse Japhet... 16 %	Standard Chartered ... 16 %
Choulartons ... 16 %	Trade Dev. Bank ... 16 %
C. E. Coates ... 16 %	Trustee Savings Bank 16 %
Consolidated Credits... 16 %	Twentieth Century Bk. 16 %
Co-operative Bank ... *16 %	United Bank of Kuwait 16 %
Corinthian Secs. ... 16 %	Whiteaway Laidlaw ... 16½%
The Cyprus Popular Bk. 16 %	Williams & Glyn's ... 16 %
Duncan Lawrie ... 16 %	Wintrust Secs. Ltd. ... 16 %
Eagil Trust ... 16 %	Yorkshire Bank ... 16 %
E. T. Trust Limited ... 16½%	
First Nat. Fin. Corp.... 19 %	
First Nat. Secs. Ltd. ... 19 %	
Robert Fraser ... 16 %	
Antony Gibbs ... 16 %	
Greyhound Guaranty... 16 %	
Grindlays Bank ... ‡16 %	
■ Guinness Mahon ... 16 %	

■ Members of the Accepting Houses Committee.
* 7-day deposits 14%. 1-month deposits 14¼%.
† 7-day deposits on sums of £10,000 and under 14%, up to £25,000 14¼% and over £25,000 14½%.
‡ Call deposits over £1,000 14%.
§ Demand deposits 14¼%.

Another slow trade but markets improve late in response to July trade figures—Insurances good

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
Aug. 11	Aug. 28	Aug. 29	Sept. 8
Sept. 1	Sept. 11	Sept. 12	Sept. 22
Sept. 15	Sept. 25	Sept. 26	Oct. 6

* "New time" dealings may take place from 9 am two business days earlier.

The July visible trade surplus of £261m proved well above market expectations and gave a late boost to sentiment in stock markets yesterday. Leading industrials moved up on a broad front and provided some relief from an otherwise quiet and dull trading session.

British Funds made a rather cautious start and drifted off from lower opening levels to record losses ranging to ½ at the longer end of the market. The 3.30 pm announcement of the trade figures, however, prompted dealers to mark prices higher and earlier losses were reduced to around ¼. Little in the way of business developed to substantiate the recovery and prices tended to drift off again in the very late dealings.

Trade in the equity leaders was substantially reduced and prices were rarely tested. But, as with the Funds, a late mark up left quotations 2 or 3 pence higher on the day. Up a point at 10.00 am and down a net 1.2 an hour later, the FT 30-share index was standing unchanged ahead of the trade figures but closed with a rise of 3.8 on the day at 487.6. Plessey, easier initially on fears that the company may have lost a big Iraq order, were more active than most.

Royals Good

Apart from occasional rises in response to weekend Press mention, movements of note were fairly sparse in secondary issues. Among the sectors, Insurances put on another firm performance helped by good interim results from Royal Insurance.

Weekend talk of the possibility of a resumption of U.S. gold sales caused a marked reaction in the bullion price and a sympathetic fall in South African gold mining shares, the latter being reflected in a drop of 9.3 to 363.2 in the Gold mines index.

Contracts completed in Traded options amounted to 809 compared with last week's daily average of 675. Among the more active issues were Lonrho, Commercial Union and Marks and Spencer which attracted 218, 173 and 104 deals respectively.

Composite Insurances continued firmly with sentiment given a further boost by Royals' good interim profits which came at the top end of market expectations. Royals rose 18 on the statement to 426p, while Phoenix, 278p, and Sun Alliance, 742p, gained 8 apiece. Still drawing strength from first-half figures announced last week, General Accident put on 6 to 328p, while similar improvements were seen in Eagle Star, 225p, GRE, 328p, and Commercial Union, 162p. Life issues also moved forward with Hambro Life notable for a gain of 6 to 266p.

The major clearing banks started the week in the same firm manner as they had finished the old. Demand ahead of Thursday's interim results which conclude the dividend season left Barclays 7 up at 412p. NatWest rose 6 to 378p, Midland 5 to 330p and Lloyds 4 to 310p. Elsewhere, Grindlays rose 5 to 128p in response to Press comment. Discount Houses hardened in places with Union 5 better at 490p and Clive the turn up at 49p.

Leading Buildings usually improved but trading was light. Tarmac rose 6 to 272p and Redland 4 to 179p, while Taylor Woodrow added 5 to 472p. London Brick, a weak market of late on worries about the interim figures due tomorrow, picked up 1½ to 72½p, while Blue Circle, half-yearly results August 27, hardened 4 to 368p. Comben also came in for support and put on 2 to 34p, but Conder shed that much, to 113p, the latter following the lower interim profits. Vibroplant responded to the preliminary results with a gain of 5 at 285p.

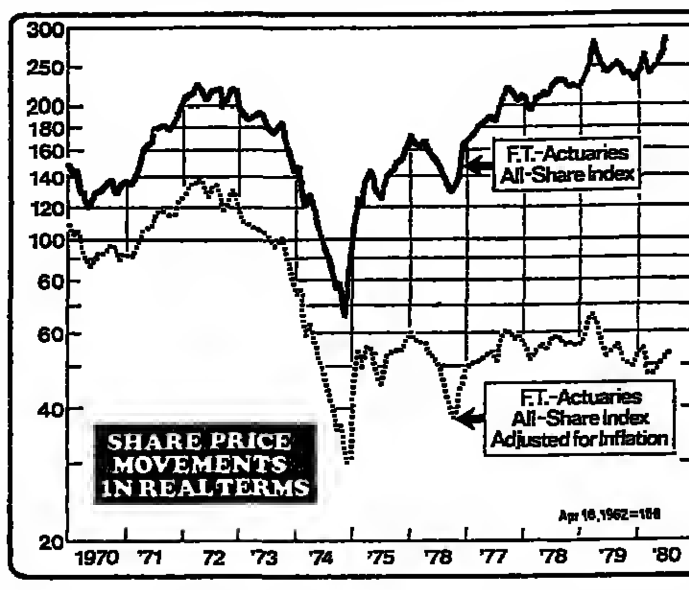
The appearance of a few cheap buyers left ICI a couple of pence dearer at 368p. Fisons, a neglected market of late, revived with a gain of 10 at 235p.

Cope Sportswear reacted 2 to 13p following a letter from the auditors stating the reasons for their resignation; the annual meeting is due to be held tomorrow. Other secondary Stores trended a shade firmer, where altered. Speculative attention was again directed towards Lee Cooper, up 5 for a two-day gain of 12 at 150p, while Press comment helped A. G. Stanley, a few pence firmer at 74p.

Plessey dip and rally

Electrical majors turned easier at the outset but the move was reversed in the after-hours trade and most closed with useful gains. GEC ended 6 up on balance at 492p, after 480p, while Thorn EMI rose a similar amount to a 1980 peak of 350p. Fears that the company may lose a £400m order from Iraq, coupled with Press suggestions of a forthcoming rights issue prompted early dullness in Plessey which were sold down to 235p before rallying to end a net 2 to the good at 243p.

John Brown stood out among quietly firm Engineering leaders with a rise of 4 to 60½p. Elsewhere, A. Cohen rose 10 to 240p in response to Press comment and Hopkinsons added 7 to 65p, after 66p, on buying ahead of Friday's AGM. Renold put on 3 to 84p. The static first-half profits and the Board's warning about second-half prospects clipped 2 from Charles Baynes at 28p. Still reflecting the poor interim results, Ratcliffs (Great Bridge) lost 4 more to 40p, while Wedkin dipped 3 to 77p. Francis Shaw also came on offer and shed 1½ to 8½p.



P. Harris Firm

In Foods, a squeeze on bear positions lifted Bernard Matthews 22 to a 1980 peak of 238, while renewed demand left Barrow Milling 5 dearer at 42p. Avana added 3 more to 161p on fresh speculative buying, while recently dull Squirrel Horn edged 2 higher to 26p. In contrast, Associated Fisheries shed 3 to 75p on profit-taking and Barker and Dobson lost a penny to 10p, the latter following an adverse Press mention. The leaders trended firmer where changed, Tate and Lyle adding 4 to 146p and J. Sainsbury hardening 3 to a 1980 peak of 450p.

The better-than-expected July trade figures prompted a late mark-up in the miscellaneous industrial leaders which closed at the day's best. Up 25 last week in response to the good second-quarter results, Unilever added 10 further to 505p, while Reckitt and Colman rose 6 to 200p; the latter's interim results were announced on September 11 last year. Elsewhere, renewed speculative support ahead of tomorrow's AGM left Phillip Harris up 7 more at 80p, while LCP picked up 2 to 68p following Press comment. Applied Computers put on 15 to 455p and AGB Research, still drawing strength from the good preliminary results and proposed one-for-three scrip-issue, rose 6 to 198p. Powell Duffryn also appreciated 6 to 226p, Syltone rose 5 to 193p, while Neil and Spencer advanced 4 to 74p. News of the reduced dividend and profits prompted an initial fall to 65p in Denbyware but the shares closed only a couple of pence easier on balance at 73p. Hoover A shed 3 to 150p following details of the company's plan to put 8,600 production workers on short-time working.

Press suggestions that the interim profits due to be announced around the end of October could be more than halved caused nervous selling of Coral Leisure which fell 4 to 59p.

The increased interim profits and dividend lifted greetings card manufacturers W. N. Sharpe 3 to 236p.

Barely tested during the "house" session, leading Properties were usually marked a few pence higher after-hours in line with the general trend. Land Securities, 364p, and MEPC, 236p, both closed 2 dearer, while Great Portland Estates finished 4 firmer at 276p. Selected secondary issues made progress: Marlborough added 2½ to 43p in a thin market.

Lasmo up late

Interest was at a low ebb in the Oil sector. In line with the general trend, leading issues usually picked up late from an easier opening. Shell regained Friday's closing level of 418p, after 416p, while British Petroleum fluctuated within narrow limits before settling a couple of pence cheaper on balance at 350p. Late support ahead of interim figures due today left Lasmo 8 dearer at 720p, while I C Gas rose 12 to 808p, the latter in front of the one-for-two share split due next month. Elsewhere, Strata Oil, a good market of late on an encouraging Woodada drilling report, shed 14 to 118p on profit-taking.

In Overseas Traders, United City Merchants picked up a couple of pence to 26p after favourable weekend Press comment.

A good market late on Friday, R. P. Martin added 3 more to 63p following the announcement of the substantially higher preliminary earnings and dividend. Elsewhere in Financial Trusts, Mercantile House were quoted at 290p ex the rights issue, while the new nil-paid opened at 66p premium and rose to 80p premium before closing at 73p premium.

The announcement of Castlefield's proposed sale of an estate for housing and commercial development directed some interest towards the Plantations sector. Castlefield closed 20 higher at 500p, after 510p, while other stocks to attract useful support included Sogomana, 20 up at 360p, and Hidong, 5 better for a two-day gain of 14 at 61p. Harrisons Malaysian Estates added 6 to 187p, but Guthrie, firm last week on bid hopes, met profit-taking and shed 25 at 825p.

Golds lose ground

Nervousness over the possibility of a resumption of U.S. Gold sales upset the bullion market where gold dropped $12 to $612.50 an ounce, and led to persistent selling of South African Gold shares.

The latter were marked down initially, reflecting U.S. selling in late trading on Friday, and came under renewed pressure until the after-hours' trade when prices staged a modest recovery in line with gold. Nevertheless, the Gold Mines index still sustained a 9.3 decline to 363.2.

The heavyweights registered losses to £1¼ as in East Rand Proprietary, £13½, while falls of ¾ were common to Hartebeest, £30¾, and Free State Geduld, £27. East Driefontein relinquished ½ to £10½.

In the medium and lower-priced issues, Blyvoor and Doornfontein lost 19 apiece to 676p and 718p respectively, but Venterspost held steady at 654p aided by favourable Press mention.

Financials were mixed. The South Africans lost ground in sympathy with Golds. GFSA dropped a point to £30¼ despite the almost doubled profits and sharply increased dividend announced late last Friday.

Rand London Corporation added 3 to 143p and Rand London Coal 20 to 130p; a Board meeting of the latter is being held today.

In Diamonds, De Beers encountered widespread local and Continental selling but this was well met by Johannesburg support and the shares closed only 4 cheaper at 403p ahead of the interim results due today.

Platinums made good progress as favourable weekend Press comment was followed by sharply increased profits and a substantial rise in the dividend from Impala. The latter advanced 6 to 340p, while Rustenburg rose 9 to 244p and Lydenburg 2 to 142p.

Australians were quietly mixed in front of today's Federal Budget. Press recommendations encouraged good demand for Gold Fields Australia which jumped 60 to 500p. Nickelore, which added 16 to 75p, Carr Boyd, 3 firmer at 36p and ACM, which put on 2 to 21p.

The leading mining issues again attracted persistent, although generally modest, local interest. CRA rose 6 to 300p, while Western Mining hardened a penny to a 1980 high of 305p.

On the other hand, the weakness of Strata Oil upset North West Mining which dipped 4 to 138p; North West has a 25 per cent holding in Strata.

In Tins, Gopeng jumped a further 45 to 560p following renewed London interest in a restricted market.

FINANCIAL TIMES STOCK INDICES

	Aug. 18	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	A year ago
Government Secs.	69.22	69.42	69.04	69.35	69.34	69.55	73.64
Fixed Interest	70.58	70.60	70.32	70.49	70.39	70.60	74.66
Industrial	487.6	483.8	477.3	474.6	480.6	499.0	467.4
Gold Mines	363.2	372.5	364.2	354.2	348.0	362.3	169.3
Ord. Div. Yield	7.42	7.48	7.58	7.62	7.54	7.55	6.05
Earnings, Yld. % (full)	17.43	17.56	17.80	17.91	17.70	17.72	17.38
P/E Ratio (net) (*)	6.94	6.88	6.79	6.75	6.85	6.82	7.34
Total Bargains	17,037	17,632	16,903	16,626	17,865	18,861	—
Equity turnover £m.	—	88.24	85.00	97.63	100.54	86.91	83.84
Equity bargains total	—	11,667	11,661	12,064	13,040	13,167	12,877

10 am 484.8, 11 am 482.6, Noon 482.9, 1 pm 483.[illegible]
2 pm 483.4, 3 pm 483.8.
Latest Index 01-246 8026.
*Nil=6.46.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1980 High	1980 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	72.54 (3/7)	63.86 (7/2)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	74.06 (24/7)	64.70 (18/2)	150.4 (28/11/47)	50.53 (6/1/75)
Ind. Ord.	503.1 (19/7)	406.9 (3/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	383.8 (28/7)	256.6 (18/6)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Aug. 18	Aug. 15
Daily		
Gilt Edged	[illegible]	[illegible]
Industrials	[illegible]	[illegible]
Speculative	[illegible]	[illegible]
Totals	[illegible]	[illegible]
5-day Avrge.		
Gilt Edged	[illegible]	[illegible]
Industrials	[illegible]	[illegible]
Speculative	[illegible]	[illegible]
Totals	[illegible]	[illegible]

NEW HIGHS AND LOWS FOR 1980

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

NEW HIGHS (71)

[illegible]

NEW LOWS (28)

[illegible]

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	[illegible]	[illegible]	[illegible]
Corpns. Dom. and Foreign Bonds	[illegible]	[illegible]	[illegible]
Industrials	[illegible]	[illegible]	[illegible]
Financial and Prop.	[illegible]	[illegible]	[illegible]
Oils	[illegible]	[illegible]	[illegible]
Plantations	[illegible]	[illegible]	[illegible]
Mines	[illegible]	[illegible]	[illegible]
Others	[illegible]	[illegible]	[illegible]
Totals	[illegible]	[illegible]	[illegible]

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Mon., Aug. 18, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Fri., Aug. 15 Index No.	Thur., Aug. 14 Index No.	Wed., Aug. 13 Index No.	Tues., Aug. 12 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (171)	281.44	+0.6	16.23	5.86	7.43	279.85	276.58	276.42	278.95	243.97
2	Building Materials (28)	255.87	+0.7	18.00	6.55	6.54	254.14	251.28	252.80	254.51	227.88
3	Contracting, Construction (27)	413.65	+0.6	22.44	5.88	5.30	411.24	405.80	408.26	411.23	369.83
4	Electricals (17)	833.27	+0.8	11.56	3.19	10.59	826.64	816.25	808.01	817.44	614.27
5	Engineering Contractors (11)	327.29	+0.3	20.75	7.96	6.04	326.46	325.28	328.65	330.29	354.58
6	Mechanical Engineering (72)	182.31	+0.4	16.86	7.34	7.23	181.65	179.17	179.54	180.40	174.64
8	Metals and Metal Forming (16)	164.74	—	22.00	10.30	5.43	164.69	163.75	164.80	167.74	162.08
11	CONSUMER GOODS (DURABLE) (49)	233.95	+0.6	16.01	5.46	8.58	232.51	231.08	231.42	233.94	234.08
12	Lt. Electronics, Radio, TV (14)	352.63	+0.9	13.70	4.00	11.17	349.49	347.78	348.40	351.15	330.22
13	Household Goods (14)	93.15	−0.3	26.01	10.99	4.85	93.43	92.54	93.82	93.74	149.01
14	Motors and Distributors (21)	101.88	−0.1	21.71	9.22	5.30	101.98	101.01	100.82	103.15	113.01
21	CONSUMER GOODS (NON DURABLES) (172)	236.12	+0.2	17.40	6.82	6.94	235.72	233.11	231.80	234.10	238.16
22	Breweries (14)	289.24	+0.2	15.72	6.37	7.43	288.75	284.67	284.13	286.64	284.02
23	Wines and Spirits (5)	311.93	—	19.44	6.53	6.05	312.07	309.30	309.00	311.09	313.04
24	Entertainment, Catering (17)	334.15	−0.3	17.28	6.70	7.18	335.25	330.31	328.48	331.72	299.22
25	Food Manufacturers (21)	216.74	+0.7	18.69	6.93	6.30	215.27	212.41	211.79	212.03	205.18
26	Food Retailing (13)	355.28	+0.4	11.88	4.48	10.05	353.79	349.28	349.43	351.45	313.50
32	Newspapers, Publishing (13)	434.52	−0.2	21.64	7.12	6.09	435.41	433.27	435.13	439.94	416.52
33	Packaging and Paper (15)	129.98	−0.2	27.49	10.07	4.23	130.22	129.35	129.79	130.30	127.59
34	Stores (45)	233.05	+0.1	13.32	5.39	9.78	232.86	230.97	227.26	231.75	248.45
35	Textiles (21)	122.92	+0.6	26.74	12.58	4.55	122.20	121.56	121.74	123.17	155.52
36	Tobaccos (3)	227.65	—	25.21	10.23	4.51	227.65	224.18	225.16	225.56	241.38
37	Toys and Games (5)	26.41	−1.6	8.51	14.43	27.16	26.86	26.67	27.17	27.52	78.89
41	OTHER GROUPS (99)	226.47	+0.4	16.31	6.84	7.28	225.48	222.49	222.10	224.41	201.76
42	Chemicals (16)	316.41	+0.7	19.61	7.62	5.85	314.16	309.02	307.95	311.95	278.70
43	Pharmaceutical Products (7)	232.29	+1.0	10.89	5.96	11.35	230.07	225.92	223.44	226.04	224.65
44	Office Equipment (6)	106.56	−1.1	19.00	7.79	6.14	107.71	106.00	104.38	106.43	116.70
45	Shipping (10)	597.36	+0.1	12.85	5.91	9.49	596.65	592.80	594.24	590.53	445.89
46	Miscellaneous (60)	281.28	+0.2	16.10	6.58	7.59	280.64	278.20	279.83	282.39	242.36
49	INDUSTRIAL GROUP (491)	252.61	+0.4	16.73	6.47	7.25	251.67	248.81	248.10	250.55	237.70
51	Oils (9)	797.42	−0.3	27.83	6.49	3.97	799.53	797.66	787.94	798.07	628.55
59	500 SHARE INDEX	295.82	+0.2	19.05	6.47	6.18	295.11	292.31	290.90	293.96	269.50
61	FINANCIAL GROUP (118)	234.38	+1.1	—	5.48	—	231.74	227.37	227.04	227.92	190.22
62	Banks (6)	235.42	+1.5	42.90	7.14	2.77	232.03	225.37	226.00	227.90	219.16
63	Discount Houses (10)	283.86	+0.2	—	6.25	—	283.26	280.59	282.86	283.54	263.09
64	Hire Purchase (5)	219.73	+1.5	14.10	4.55	9.24	216.54	213.12	222.19	227.69	169.00
65	Insurance (Life) (10)	237.81	+0.5	—	5.36	—	236.52	230.25	228.37	229.46	151.51
66	Insurance (Composite) (9)	162.38	+3.0	—	6.76	—	157.68	154.14	151.97	150.36	123.95
67	Insurance Brokers (9)	333.56	−0.8	13.93	6.91	9.86	336.37	332.64	334.20	336.00	269.83
68	Merchant Banks (12)	135.55	+0.4	—	5.25	—	135.08	134.54	135.04	134.57	99.37
69	Property (45)	440.21	+0.3	3.23	2.67	43.06	438.84	433.69	434.37	439.06	368.77
70	Miscellaneous (12)	142.45	+0.5	14.48	6.20	8.78	141.68	141.07	141.13	141.15	118.46
71	Investment Trusts (109)	262.69	+0.4	—	5.47	—	261.70	256.32	256.29	256.66	212.97
81	Mining Finance (3)	243.73	−0.1	12.32	4.30	9.77	243.98	242.07	240.05	241.70	122.73
91	Overseas Traders (20)	427.98	+0.1	11.76	6.90	10.25	427.65	421.12	418.81	413.39	342.09
99	ALL-SHARE INDEX (750)	283.75	+0.4	—	6.18	—	282.62	279.24	278.11	280.36	247.11

FIXED INTEREST PRICE INDICES

	British Government	Mon., Aug. 18	Day's change %	xd adj. today	xd adj. 1980 to date
1	Under 5 years	105.00	+0.09	0.37	7.11
2	5-15 years	110.53	−0.23	0.22	8.64
3	Over 15 years	116.24	−0.35	—	8.27
4	Irredeemables	128.92	−0.33	—	7.24
5	All stocks	110.27	−0.17	0.19	7.94

	FIXED INTEREST YIELDS British Govt. Av. Gross Red.		Mon., Aug. 18	Fri., Aug. 15	Year ago (approx.)
1	Low	5 years	12.08	12.08	9.87
2	Coupons	15 years	12.08	12.06	10.42
3		25 years	12.08	12.08	10.43
4	Medium	5 years	13.44	13.43	11.83
5	Coupons	15 years	13.38	13.34	11.96
6		25 years	13.33	13.26	[illegible]
7	High	5 years	13.60	13.62	12.23
8	Coupons	15 years	13.75	13.70	12.43
9		25 years	13.75	13.70	12.45
10	Irredeemables		11.53	11.48	10.69

		Mon., Aug. 18 Index No.	Yield %	Friday Aug. 15	Thurs. Aug. 14	Wed. Aug. 13	Tues. Aug. 12	Mon. Aug. 11	Friday Aug. 8	Thurs. Aug. 7	Year ago (approx)
15	20-yr. Red. Deb & Loans (15)	54.36	13.64	54.29	54.29	54.37	54.37	54.47	54.63	54.71	58.63
16	Investment Trust Prefs. (15)	51.12	13.20	51.12	50.52	50.52	50.78	50.78	50.11	50.75	60.89
17	Coml. and Indl. Prefs. (20)	67.23	13.33	67.23	67.23	66.87	66.98	66.73	66.87	66.82	71.14

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 25p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
RTZ	25p	7	467	−3	485	327
Commercial Union	25p	6	162	+7	162	125
Imp. Cont. Gas	£1	6	808	+12	906	593
Powell Duffryn	50p	6	226	+6	226	142
Shell Transport	25p	6	418	—	432	314
BAT Inds.	25p	5	280	—	290	223
Beecham	25p	5	151	+1	160	108
GEC	25p	5	492	+6	494	326
GKN	£1	5	231	—	279	228
ICI	£1	5	368	+2	402	348
Inchcape	£1	5	447	+2	447	308
Racal Elec.	25p	5	279	+2	290	175
Tate & Lyle	£1	5	146	+4	178	118
Allied Breweries	25p	4	84½	−½	89	68
Bass	25p	4	229	+1	238	188

OPTIONS

First Dealing	Last Dealing	Last Declaration	For Settlement
Aug. 18	Sept. 5	Nov. 20	Dec. 1
Sept. 8	Sept. 19	Dec. 4	Dec. 15
Sept. 22	Oct. 3	Dec. 18	Dec. 19

For rate indications see end of Share Information Service

Stocks favoured for the call included Town and City Properties, Premier Oil, Lonrho, FNFC, Ultramar, Higgs and Hill, Carless Capel, Belhaven, Norvic, House of Fraser, Burmah, Coral Leisure, British Land, MFI, Endeavour Oil, Dale Electric and Weir Group. Puts were arranged in Brook Street Bureau and Grand Metropolitan, while doubles completed included P and O, Stone-Platt, Commercial Union, Tiger Petroleum and John Brown.

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible]

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)

Allen Harvey & Ross Unit Tst. Mngrs.

Allied Hambro Ltd. (a) (b)

Anderson Unit Trust Managers Ltd.

Ansbacher Unit Mgmt. Co. Ltd.

Arbuthnot Securities Ltd. (a)(c)

Archway Unit Tst. Mgs. Ltd.

Barclays Unicorn Ltd. (a)(c)(g)

Baring Brothers & Co. Ltd.

Bishopsgate Progressive Mgmt. Co.

Bridge Fund Managers (a)(c)

Britannia/Schlesinger

Schlesinger Trust Mngrs. Ltd. (a)(c)(g)

The British Life Office Ltd.

Brown Shipley & Co. Ltd.

Canada Life Unit Trst. Mngrs. Ltd.

Capel (James) Mngt. Ltd.

Carliol Unit Fd. Mgrs. Ltd. (a)(c)

Carr, Sebag Unit Trust Managers(a)

Charities Official Invest. Fund

Chieftain Trust Managers Ltd.

Confederation Funds Mgt. Ltd. (a)

Craigmount Unit Tst. Mgrs. Ltd.

Crescent Unit Tst. Mngrs. Ltd. (a)(c)

Darlington Unit Trust Mngt. Ltd.

Discretionary Unit Fund Managers

E. F. Winchester Fund Mngt. Ltd.

Emson & Dudley Tst. Mngmnt. Ltd.

Equity & Law Un. Tr. M.

Fidelity International Management Ltd.

James Finlay Unit Trust Mngt. Ltd.

Framlington Unit Mgt. Ltd. (a)

Friends' Provdt. Trust Mgrs.

Funds in Court

G.T. Unit Managers Ltd.

G. & A. Trust (a) (g)

Gartmore Fund Managers (a)(g)

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)

Govett (John)

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration (a)(b)(c)

Hill Samuel Unit Tst. Mgrs.

Investment Intelligence Ltd.

Key Fund Managers Ltd. (a)(g)

Kleinwort Benson Unit Managers

L & C Unit Trust Management Ltd.

Legal & General Tyndall Fund

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd. (a)

Lloyd's Life Unit Tst. Mngrs. Ltd.

Local Authorities' Mutual Invest. Tst.

M & G Group (y)(c)(z)

ManuLife Management Ltd.

Mayflower Management Co. Ltd.

Mercury Fund Managers Ltd.

Midland Bank Group Unit Trust Managers Ltd.

Minster Fund Managers Ltd.

MLA Unit Trust Mngemnt. Ltd.

Murray Johnstone U.T. Mgmt.

Mutual Unit Trust Managers (a)(g)

National Provident Inv. Mngrs. Ltd.

National Westminster (a)

NEL Trust Managers Ltd. (a)(g)

Norwich Union Insurance Group (b)

Northgate Unit Trust Managers Ltd. (c)(y)

Pearl Trust Managers Ltd. (a)(g)(z)

Pelican Units Admin. Ltd. (g)(x)

Perpetual Unit Trust Mngmt.

Practical Invest. Co. Ltd. (y)(c)

Provincial Life Inv. Co. Ltd.

Prudl. Portfolio Mngrs. Ltd. (a)(b)(c)

Quilter Management Co. Ltd.

Reliance Unit Mgrs. Ltd.

Ridgefield Management Ltd.

Rothschild Asset Management (g)

Rowan Unit Trust Mngt. Ltd. (a)

Royal Tst. Can. Fd. Mgrs. Ltd.

Save & Prosper Group

Schroder Wagg & Co. Ltd.

Scottish Equitable Fnd. Mgrs. Ltd.

Security Selection Ltd.

Stewart Unit Tst. Managers Ltd. (a)

Sun Alliance Fund Mngt. Ltd.

Target Tst. Mngrs. Ltd. (a)(g)

Tower Unit Trust Mngt. Ltd.

Trades Union Unit Tst. Managers

Transatlantic and Gen. Secs. Co. (y)

Tyndall Managers Ltd. (a)(b)(c)

TSB Unit Trusts (y)

Ulster Bank (a)

Unit Trust Account & Mgmt. Ltd.

INSURANCE PROPERTY BONDS

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

Barclays Life Assur. Co. Ltd.

Beehive Life Assur. Co. Ltd.

Canada Life Assurance Co.

Cannon Assurance Ltd.

Capital Life Assurance

Charterhouse Magna Gp.

Chieftain Assurance Funds

City of Westminster Assurance

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.

Credit & Commerce Insurance

Crown Life

Crusader Insurance Co. Ltd.

Eagle Star Insur./Midland Assur.

Equity & Law Life Ass. Soc. Ltd.

Equity & Law (Managed Funds) Ltd.

Family Assurance Society

Assicurazioni GENERALI S.p.A.

General Portfolio Life Ins. C. Ltd.

Gresham Life Ass. Soc. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hambro Life Assurance Limited

Hearts of Oak Benefit Society

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London Indemnity & Gnl. Ins. Co. Ltd.

London Life Linked Assur. Ltd.

The London & Manchester Ass. Gp.

M & G Group

Manufacturers Life Insurance Co.

Merchant Investors Assurance

NEL Pensions Ltd.

NPI Pensions Management Ltd.

New Zealand Ins. Co. (UK) Ltd.

Norwich Union Insurance Group

Pearl Assurance (Unit Funds) Ltd.

Phoenix Assurance Co. Ltd.

Planned Savings Group

Prop. Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Providence Capital Life Ass. Co. Ltd.

Provincial Life Assurance Co. Ltd.

Prudential Pensions Limited

Reliance Mutual

Rothschild Asset Management

Royal Insurance Group

Save & Prosper Group

Schroder Life Group

Scottish Widows' Group

Skandia Life Assurance Co. Ltd.

Standard Life Assurance Company

Solar Life Assurance Limited

Sun Alliance Fund Mangmt. Ltd.

Sun Alliance Linked Life Ins. Ltd.

Sun Life of Canada (UK) Ltd.

Sun Life Unit Assurance Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

Tyndall Assurance/Pensions

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

Welfare Insurance Co. Ltd.

Windsor Life Assur. Co. Ltd.

OFFSHORE & OVERSEAS FUNDS

Albany Fund Management Limited

Alexander Fund

Allen Harvey & Ross Inv. Mgt. (C.I.)

Alliance International Dollar Reserves

Arbuthnot Securities (C.I.) Limited

Bank of America International S.A.

Banque Bruxelles Lambert

Barbican Managers (Jersey) Ltd.

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bishopsgate Progressive—Ldn. Agents

Bridge Management Ltd.

Britannia/Schlesinger

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

Capital International S.A.

Charterhouse Japhet

Clive Investments (Jersey) Ltd.

Cornhill Ins. (Guernsey) Ltd.

Craigmount Fixed Int. Mngrs. (Jersey)

DWS Deutsche Ges. F. Wertpapiersp

Delta Group

Deutscher Investment-Trust

Dreyfus Intercontinental Inv. Fd.

Emson & Dudley Tst. Mgt. Jrsy. Ltd.

The English Association

Eurobond Holdings N.V.

F. & C. Mgmt. Ltd. Inv. Advisers

Fidelity Management & Research

First Viking Commodity Trusts

Fleming Japan Fund S.A.

Frankfurt Trust Investment-GmbH

Free World Fund Ltd.

G.T. Management Ltd.

Gartmore Invest. Ltd. Ldn. Agts.

Guinness Mahon Fd. Mgrs. (Guernsey)

Hambro Pacific Fund Mgmt. Ltd.

Hambros Fd. Mgrs. (C.I.) Ltd.

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

1980 High	Low	Stock	Price £	+ or −	Int.	Red. Yield
91	82¼	Aust. [illegible] '81-82	85½	......	6.27	14.15
85¼	72½	Do. 6pc 1981-83	83¼	......	7.25	12.52
67	58	N.Z. 7¼pc 1988-92	64¼	−¼	11.51	13.35
81½	72	Do. 7½pc '83-86	79¾	+¼	9.53	12.75
96¼	88	Sth. Africa 9½pc '79-81	96	......	10.16	13.34
160	95	S. Rhod. 2½pc Non-Ass.	97	−1	—	30.33
169	133	Do. 6pc '78-81 N.-As.	140	−2	—	31.38

LOANS

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

1980 High	Low	Stock	Price	+ or −	Div. Gross	Cvr	Yld Gr's
495p	265p	Massey Ferg. [illegible]	360p	+5	—	—	—
200p	100p	Place Gas $1	120p	+5	—	—	—
14⅞	10⅝	Rio Algom	12⅞	+⅛	$1.50	—	4.5
20	14½	Royal Bk. Can. $2	19¹¹⁄₁₆xd	+1/16	$2.56	—	4.9
25½	15¼	Seagram Co. C$1	24½	......	SUS1.10	—	2.0
12	890p	Tor. Dom. Bk. $1	13¾	+¼	$1.36	—	4.4
10½	815p	Trans Can. Pipe	890p	−5	$1.16	—	4.9

BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

BUILDING INDUSTRY—Contd.

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

1980 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's	P/E
97	64	[illegible]						
57	44	[illegible]						
120	73	[illegible]						
60	46	[illegible]						
13	7½	[illegible]						
87	64	[illegible]						
34	23	[illegible]						
47	23	[illegible]						
106	85	[illegible]						
327	200	[illegible]						
190	113	[illegible]						
147	109	[illegible]						
187	151	[illegible]						
202	126	[illegible]						
180	145	[illegible]						
£65	£40	[illegible]						
71	41	[illegible]						
140	112	[illegible]						
130	63	[illegible]						
38½	30	[illegible]						
49½	37	[illegible]						
66	46	[illegible]						
82	54	[illegible]						
171	117	[illegible]						
49	32	[illegible]						
39	31	[illegible]						
39	33	[illegible]						
6¼	4	[illegible]						
22	11	[illegible]						
274	183	[illegible]						
491	313	[illegible]						
240	155	[illegible]						
138½	109½	[illegible]						
146	140	[illegible]						
76½	59	[illegible]						
34	30	[illegible]						
295	230	[illegible]						
58	35	[illegible]						
27	18	[illegible]						
55	36	[illegible]						
140	114	[illegible]						
59	50	[illegible]						
98	73	[illegible]						
21	14	[illegible]						
119	80	[illegible]						

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

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هكذا من الأصل

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INVESTMENT TRUSTS—Cont.

FINANCE, LAND—Continued

MINES—Continued

Australian

1980 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
25	21	Acmex 50c	22	.....	—	—	—
24	12	ACM 20c	21	+2	—	—	—
122	52½	Bond Corp.	116	–2	‡Q2.8c	2.2	1.2
156	88	Bougainville 1 Kina	116	+3	‡Q26.2c	1.0	11.5
265	195	BH South 50c	200	.....	♦	—	—
356	230	CRA 50c	300	+6	Q15c	2.1	8.7
25	11½	Canada Northwest	21	.....	—	—	—
42	8	Carr Boyd 20c	36	+3	—	—	—
£36¾	£15¼	Central Pacific	£32¼	.....	—	—	—
41	17	Cultus Pacific N.L.	34	.....	—	—	—

OIL AND GAS

LEISURE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

Finance, Land, etc.

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCE

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

Tins

Copper

Miscellaneous

1980 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
180	78½	Anglo-Dominion	135	–7	—	—	—
97	52	Barymin	70	+5	—	—	—
17	12	Burma Mines 10p	14	.....	0.62	1.1	6.4
172	53	Colby Res. Corp.	170	+12	—	—	—
502	285	Cons. Murch. 10c.	290	.....	‡Q100c	1.8	19.7
180	95	††Hemerdon 10c.	95	.....	—	—	—
585	325	Northgate C$1	365	–5	—	—	—
485	327	R.T.Z.	467	–3	15.0	3.2	4.6
33	16	Robert Mines	24	+1	—	—	—
112	97	††SPO Minerals 10p	97	.....	—	—	—
58	26	Sabina Inds. C$1.	28½	.....	—	—	—
51	37	††SWCM 10p	37	.....	—	—	—
650	411	Tara Expln. $1	460	+20	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ *Interim since reduced, passed or deferred.*
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- ‡ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ‡ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✡ Regional price.
- 0 No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c *Cents.* d *Dividend rate paid or payable on part of* capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q *Earnings based on preliminary figures.* s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1980-81. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets.

OPTIONS

3-month Call Rates

Courtaulds	8	N.E.I.	5		
Debenhams	8	Nat. West. Bank	27	Brit. Petroleum	32
Distillers	17	P & O Dfd.	10	Burmah Oil	20
Dunlop	7½	Plessey	14	Charterhall	10
Eagle Star	15	Racal Elect.	22	KCA	11
F.N.F.C.	2¼	R.H.M.	4½	Premier	13
Gen. Accident	21	Rank Org.	15	Shell	35
Gen. Electric	30	Reed Intnl.	16	Tricentrol	40
Glaxo	10	Sears	5	Ultramar	35
Grand Met.	12	Tesco	6	**Mines**	
G.U.S. 'A'	34	Thorn	23		
Guardian	23	Trust Houses	12	Charter Cons.	14
G.K.N.	20	Tube Invest.	23	Cons. Gold	40
Hawker Sidd	15	Unilever	40	Lonrho	8
House of Fraser	15	U.D.T.	5½	Rio T. Zinc	35

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 22

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

FINANCIAL TIMES

Tuesday August 19 1980

TENDERING LAW UNDER REVIEW

Collusion could become a crime

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE GOVERNMENT is considering whether to make collusive tendering for contracts a criminal offence, with guilty companies facing unlimited fines and possible prison sentences for their directors.

A consultative document outlining the problems and benefits of bringing in legislation to make collusive tendering a crime is currently being circulated to trade associations and other interested organisations by the Department of Trade. At present, collusive tendering is an unlawful act that can be pursued in the civil courts.

A decision on whether to press ahead with changing the law will be made by the Government after the Department of Trade has considered comments on its proposals. These comments are due by the end of October.

Collusive tendering occurs when two or more companies agree in advance either who should get a potential contract —allocated on a strict rota basis—or on a minimum price for a contract below which no company will tender. Either way the aim of the collusion is to by-pass the restrictive trade practices laws and strictly to limit competition between competing companies.

Last month four concrete pipe manufacturers were fined a total of £185,000 and ordered to pay costs estimated at almost £500,000 for breaking an undertaking to the Restrictive Practices Court not to tender collectively for contracts and fix prices.

Such punitive action in the civil courts is exceptional, however, mainly because existing civil law curbs on collusive tendering are hard to enforce.

The present law does not ban collusive tendering agreements outright. Instead, any such agreement has to be placed on the public register of restrictive trade practices, which effectivelynullifies the collusion.

"If the agreement is not registered, then it automatically becomes void and injured parties can seek compensation. But there are only two known cases where victims of collusive tendering have been able to secure any compensation.

In recent years the Office of Fair Trading has uncovered a number of unlawful collusive tendering agreements, predominantly in ready-mixed concrete, road surfacing, and other parts of the construction industry.

The Department of Trade's consultative document admits, however, that it remains difficult to tell whether or not the practice is increasing. "Collusive tendering is by its nature difficult to detect," it says. "What is certain is that it has not died out and shows no sign of doing so."

Although the Department says that some steps can be taken to prevent collusion—such as by wideniog the number of companies which submit tenders—it admits that this is not the ideal solution. "It is questionable whether collusive tendering can be adequately dealt with in a purely civil law framework," it adds.

Although the Department acknowledges that there would be problems—such as the notorious difficulty in obtaining convictions in fraud cases—it concludes that "the case for a criminal offence seems strong enough to call for a closer examination."

Suggested penalties are a £1,000 fine or six months' imprisonment on summary conviction, and unlimited fines or two years' imprisonment on indictment.

Massey, Hoover announce job cuts

By Lorne Barling and Ray Perman

TWO MAJOR companies are to make more than 1,000 workers redundant.

Massey-Ferguson, the tractor and farm equipment maker, yesterday announced 680 redundancies at its Coventry plants and will lay off an unspecified number of employees between now and October.

Hoover has joined other domestic appliance manufacturers in announcing short-time working and redundancies. It is to pay off 440 of its 8,400 production workers and its three plants at Cambuslang in Scotland, Merthyr Tydfil in South Wales and Perivale in Middlesex will be shut for one week every month.

Massey-Ferguson bad previously intended to avoid redundancies by operating extensive short-time. But yesterday's redundancy announcement confirmed union fears, triggered by worsening market prospects.

The Coventry plants account for more than 20 per cent of Massey Ferguson's farm tractor production worldwide, and supply components for about 40,000 sets ...of components for assembly overseas each year.

"The current recession in farm machinery markets served b y the Coventry plants, is expected to continue, bringing further falls in the volumes of orders, while upward pressure on costs will continue," the company said.

The redundancies will involve 540 hourly-paid workers out of 3,750 and 140 white-collar employees out of 1,900. Details of the cuts were given to trade unions yesterday and discussions on voluntary redundancies are taking place.

Between now and the end end of the year, it is intended that output should be closely related to the level of orders, and this will be achieved by a flexible programme of short-time working. The company also plans to close the Coventry plants for one week, probably in October.

Mr. Merle Rawson, Hoover's chairman, blamed the fall in consumer spending for his company's decision and said Hoover had bowed to the inevitable pressures that bad already hit its main competitors.

The company must continue its efforts to improve efficiency so that it would be in a position to take advantage of the upturn in the economy when it came.

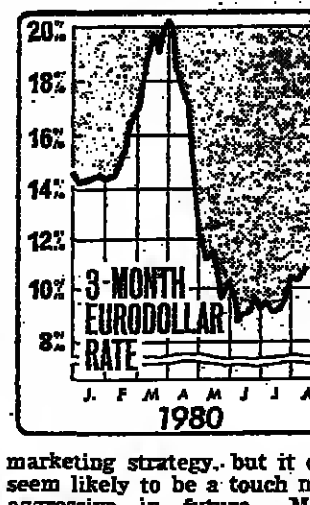
In recentm on the all the main UK manufacturers of domestic electrical goods, including Electrolux, Servis, Hotpoint and Creda, have introduced short-time working.

THE LEX COLUMN

Royal's change of emphasis

For all the exceptional factors, the current account has been transformed — from a deficit of £418m in February-April to a surplus of £376m in May-July. Not so very long ago the markets would have soared on the news; that they have not highlights the extent to which sterling has ceased to be a problem. The underpinning provided by North Sea oil is demonstrated by the comparison with France, whose visible deficit in July was FFr 6.66bn, against the UK £261m surplus. So far UK manufactured exports have held up remarkably well, particularly to developing countries, in spite of the strength of the pound.

Index rose 3.8 to 487.6



Royal

A subtle shift in management priorities is taking place at Royal Insurance. In recent years, the group has been determined above all things to maintain the quality of its underwriting, and its success can be seen in the interim figures published yesterday. Underwriting losses represent 2.4 per cent of premiums, after six months, compared with 3.6 per cent for Commercial Union and 4 per cent for General Accident.

But this approach brings a penalty, especially when the world insurance market is in as competitive a state as it is at present. The underlying growth in Royal's premium income is just 7.2 per cent, which is nearly 5 points below the figure at CU and less than half GA's growth rate. In dollar terms, Royal's premiums in the U.S. are just 1½ per cent higher.

So the group now says that although it is determined to keep high underwriting standards, it will attach equal importance to the goal of at least maintaining its share of the world market. In the U.S., for instance, it is seeking to spread out from the North East into the Mid West in selected lines of business.

In common with other UK companies, Royal could certainly finance a faster growth rate. Its balance sheet is more conservatively financed than it was a few years ago, with a much lower proportion of equity investments, and far from being a threat to its capital base sterling is now a positive bonus. Its solvency margin is low by UK standards at just over 52 per cent—but this figure is much higher than the average for U.S. companies, which as a result can produce a better return on their shareholders' funds.

There is not going to be any sudden change in Royal's marketing strategy, but it does seem likely to be a touch more aggressive in future. Meanwhile, a solid looking set of half-year figures left the shares 18p higher at 420p yesterday. In contrast with a storm hit period in 1979, pre-tax profits are £5.4m higher at £62.4m, and although Royal says it will need a bit of luck to maintain the year's total at £131.5m pre-tax, any decline is likely to be strictly marginal. Royal also hopes that the underwriting cycle in North America could be within a year of the low point, and that recovery will start to show through in 1982. The dividend is up by 12 per cent, and the prospective yield could be 8½ per cent, twice covered.

U.S. bonds

After a weekend mulling over the U.S. money supply figures, Wall Street had not changed its mind, and both equities and bonds were in retreat when the American markets opened yesterday. Confusion over money targets is evidently not confined to the UK. Even if it is accepted that such seasonal factors as social security payments account for the bulk of the very sharp rises recorded in the latest week, all the monetary measures have still been growing at annual rates exceeding the Federal Reserve's targets in the May/July quarter.

So far the Fed has not shown signs of alarm. It may well be that it is concentrating on the target periods as a whole (over which the narrow measures of money are still undershooting) rather than on the recent surge. It is in any case not surprising—as the recent behaviour of British M1 suggests—that these narrow measures should be extremely sensitive to changes in interest rates. What we are now seeing may just be a lagged response to the steep fall in U.S. rates in April and May.

But coming on top of the signs of evident strength that the U.S. economy has begun to show—particularly in the automobile and housing sectors, which bore the brunt of the slump in the spring—the figures suggests that there is no longer any room for the Fed to think of easing monetary policy. That would be to risk further weakness in the dollar, which is highly sensitive to small movements in interest rates, as it showed by strengthening significantly (not least against gold) as eurodollar rates firmed yesterday.

Yet the Fed is generally felt to be unwilling to countenance a significant rise in rates—it was certainly supplying reserves to the banks quite generously in June and July—unless it becomes undeniable that the money supply is rising out of control. If Treasury bill rates rise much above 9 per cent the thrift institutions begin to lose deposits to money market mutual funds, and already—in California, for instance—mortgage rates are creeping up again. There must be pressure to hold things steady at least until the election. Mortgage rates have a large impact on the consumer price index: the July and August CPI figures will be flattered by falling housing costs, but this trend may begin to reverse abruptly in September.

In the bond market, the flow of corporate issues on top of heavy Treasury financing (with the prospect of tax cuts) has pushed yields up to a level at which companies are returning to bank finance—in itself one reason for the jump in money supply. But corporate bond issues at a monthly rate approaching $6bn are likely to continue as long as the market will allow, which must severely limit the scope for any rally. In recognition of this, the gap between Government and corporate bond yields has been unusually high within the corporate market, meanwhile, the yield difference between high and low quality issues is narrowing—a sign that the economy is strengthening since bankruptcies are considered less likely.

Moreover, the yield on a good quality U.S. utility issue has now risen to within 1½ points of long-dated gilt-edged yields. With the prospect of significantly lower U.S. bond yields receding, gilt-edged were understandably morose yesterday despite the good British trade figures.

Clash over Westward TV moves

BY ARTHUR SANDLES

VOTING SHAREHOLDERS in troubled Westward Television are faced with two extraordinary general meetings to decide the future composition of the Board. In each case the opposing camp says that the rival meeting is invalid.

After nearly two weeks of silence Mr. Peter Cadbury, former chairman of Westward and its largest single shareholder, yesterday produced a blizzard of paperwork. It included a writ against the company and Lord Harris of Greenwich personally concerning the activities of the Board.

Mr. Cadbury and his former deputy chairman, Lord Lisburne, have written to shareholders convening an extraordinary meeting of the company for September 10 at the Carlton Tower in London. The purpose of this is to "remove Lord Harris (of Greenwich) and five other directors of the company."

The present directors of Westward, headed by the new chairman and former Labour Minister, Lord Harris, recently removed Mr. Cadbury from the chair and have already convened an extraordinary meeting for October 17. They have meanwhile sought assurances from Mr. Cadbury and his family, as well as from Lord Lisburne, that none of them will use their voting powers to regain office.

Mr. Cadbury has written to shareholders saying: "I am left in no doubt that the dominant intention of your Board, in delaying the requisitioned meeting until October 17, was to enable it in the meantime to disenfranchise the shares held by Lord Lisburne, myself and members of my family." (The Board has threatened to "transfer" the Cadbury shares elsewhere.)

He adds that the Board had no reason to believe that a particular shareholding jeopardised the renewal of Westward's programme contract.

"In these circumstances I am advised that your directors have (i) failed to comply with their statutory obligations under the Act leaving Lord Lisburne and me free to convene the requisitioned meeting, and (ii) exercise their powers to convene meetings and under Article 30(4) in breach of their fiduciary duty and wrongfully for the purpose of depriving the existing majority of members of your Company entitled to attend and vote at General Meetings of their right to reconstitute the Board."

Mr. Cadbury is seeking proxy powers from those voting shareholders from whom he has not already received powers of attorney—a claimed 60 per cent of the total voting stock.

The Cadbury camp is seeking the removal from the Board of Lord Harris, Mr. Ronald Perry, Mr. George Lidstone, Sir Robert Cooke, Mr. Michael Heathcoat Amory and Mr. Simon Lennox-Boyd.

The vehemence and detail of Mr. Cadbury's assault seemed to catch the incumbent Board on the hop. Its response was brief and to the point:

"The meeting convened by the Board for October 17 following Mr. Cadbury's and Lord Lisburne's requisition was properly convened; the date was approved by leading counsel. Mr. Cadbury and Lord Lisburne are not therefore entitled to call the meeting which they have tried to convene for September 10. If that meeting takes place, resolutions passed at it will have no effect."

Over the weekend Mr. Cadbury's lawyers replied to the Board's demands that he refrain from using his votes to regain the chair of Westward with a flat refusal to negotiate on this issue.

The Cadbury camp is issuing a writ seeking declarations from the Board in a bid to secure confirmation that the seeking of the assurance was invalid. In this way Mr. Cadbury would hope to pre-empt any move by Westward to move his shares.

Hansa files insolvency petition

By Geoffrey Brown and William Hall

HANSA, one of the proudest names in German shipping, has filed an insolvency petition with the Bremen district court and plans to sell its 59 ships.

The company, whose future has been the subject of intense speculation this year, said yesterday that its decision followed Friday's breakdown of merger talks with Hapag-Lloyd, West Germany's largest shipping line.

Hansa has been losing money for some years. It last paid a dividend in 1976.

Operating losses last year ran to DM 75m (£17.6m) and the company finally exhausted its reserves in reducing the deficit to a net DM 5m.

In the first three months of this year, Hansa's operating losses amounted to a further DM 23m, including DM 5m of extraordinary items.

Hansa's fleet totals about 400,000 deadweight tonnes, plus some chartered tonnage. Hapag Lloyd's is about 1.4m dwt.

There are container and roll-on/roll-off vessels, general cargo ships and refrigerated vessels. Its large fleet of offshore supply ships are operated under the Offshore Supply Association.

Among its other specialities is American Heavy Lift Shipping, which it owns jointly with Gulf Oil.

Estate agents look for buyers in stagnant housing market

BY ANDREW TAYLOR

THE HOUSING market is continuing to stagnate, with more than two-thirds of estate agents reporting that house prices have not moved since the end of April. They were replying to a national survey last month.

The survey, by the Royal Institution of Chartered Surveyors, nevertheless shows fewer agents reporting price falls than in June.

This time 17 per cent of agents said prices had declined in the previous three months, compared with 27 per cent a month earlier.

Despite this sellers are still experiencing serious difficulties in persuading reluctant buyers back into the market. The strength of the recession and record mortgage rates have deterred a number of prospective purchasers.

While fewer agents have reported price falls this time, the proportion of agents reporting no movement in prices increased from 57 per cent in June to 70 per cent last month.

Only 13 per cent of agents reported price rises last month, slightly fewer than in the previous month.

The greatest sales resistance is being experienced by sellers of post-war detached and semi-detached houses, where a quarter of agents nationally reported price falls last month.

Demand remains strongest for pre-1919 terrace and new houses where 21.3 per cent and 23.2 per cent respectively said prices had risen since the end of April.

"Pre-1919 terraced houses are holding their prices more strongly than any other section of the older house market.

"This trend is particularly marked in the East Midlands where a special survey showed that two-thirds of agents bad experienced price increases of 2 to 8 per cent in this section," said the Royal Institution of Chartered Surveyors.

Older, cheaper, properties are particularly attractive to young first-time buyers who have not, apparently, been put off by record mortgage rates—unlike a number of existing home-owners who otherwise might have been expected to move.

House sellers in chains, Page 13
Review of housing spending cuts urged, Page 6

Continued from Page 1

French pledge

France and the Channel Islands. Roscoff in northern Brittany was the only port expected to provide a ferry service to the UK today.

The authorities remained reluctant to use force against the fishermen, although the navy intervened yesterday in Cherbourg to break up skirmishes.

The protest movement, until now limited to the north of France and Normandy, spread as far as Corsica, where fishermen decided to seal off five main ports, disrupting passenger services to the mainland. In Bastia, the French army was brought in to hand out food rations.

In the French Mediterranean fishing centre of Sete, a strike vote was awaited last night. An all-out strike was voted for at La Rochelle, on the Atlantic, but the port was left open. Similar decisions were taken at the southern Brittany ports of Lorient and Concarneau and union leaders expected other ports to follow suit.

Continued from Page 1

Poland

to carve out its own foreign policy.

Details emerged yesterday about the projected coal deliveries from Poland to West Germany, which form part of the DM 1.2bn (£286m) German credit to Warsaw. A total of DM 800m will go towards servicing Poland's existing debts while the other DM 400m—backed by Government guarantees—will finance increased coal production.

Weather

UK TODAY

DRY, sunny, some rain later.

London, E., Midlands, Channel Isles

Sunny periods. Max. 23C (73F).

Rest of England, Wales, Isle of Man, S.E. Scotland, N.E. Scotland, Orkney and Shetland

Bright at first, some rain later. Max. 22C (72F).

Rest of Scotland, N. Ireland

Cloudy, *some rain and coastal* fog. Max. 20C (68F).

Outlook: Changeable in north, warm and humid in south.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	25	77	L. Plms.	S	27	81
Algiers	S	27	81	Lisbon	S	22	72
Amsdm.	S	22	72	Locarno	S	32	90
Athens	F	30	86	London	F	21	70
Barclna.	S	26	79	Luxmbg.	C	23	73
Beirut	S	29	84	Luxor	S	38	100
Belfast	C	14	57	Madrid	F	29	83
Belgrd.	F	23	73	Majorca	S	28	82
Berlin	S	22	72	Malaga	F	26	79
Biarritz	C	21	70	Malta	F	28	82
Bmghm.	C	18	64	Mchstr.	R	15	59
Blackp'l	C	16	61	Mex. C.	C	20	68
Bordx.	C	21	70	Milan	S	27	81
Boulgn.	F	18	64	Moscow	S	17	63
Bristol	C	17	63	Munich	F	22	72
Brussels	F	21	70	Naples	F	28	82
Budpst.	F	23	73	Nwcstl.	F	19	66
Cardiff	C	17	63	Nice	S	26	79
Casbca.	S	26	79	Nicosia	S	29	84
Cologne	C	24	75	Oporto	S	25	77
Cpnhgn.	R	16	61	Oslo	C	19	66
Corfu	S	28	82	Paris	C	18	64
Dublin	R	16	61	Prague	S	23	73
Dbrvnk.	F	28	82	Reykjvk.	F	11	52
Ednbgh.	R	19	66	Rhodes	S	28	82
Faro	S	30	86	Rome	S	30	86
Florence	S	31	88	Salzb'rg	F	23	73
Frankf't	S	24	75	Stckhm.	F	19	66
Funchal	C	24	75	Strasb'g	S	25	77
Geneva	S	23	73	Tangier	F	29	84
Gibrltr.	S	24	75	Tel Aviv	S	29	84
Glasgow	R	16	61	Tenerife	S	27	81
G'nsey	F	17	63	Tunis	C	29	84
Helsinki	S	20	68	Valencia	S	29	84
Innsbrk.	S	22	72	Venice	S	27	81
Invrnss.	C	17	63	Vienna	S	22	72
I.o.Man	C	15	59	Warsaw	F	19	66
Istanbul	F	29	84	Zurich	S	21	70
Jersey	F	18	66				

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

Shell to decide soon on titanium plant

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE Royal Dutch/Shell Group is expected to decide within the next few weeks whether to go ahead with a £20m investment in a titanium processing project started last year by the National Enterprise Board to provide high-grade metal for Rolls-Royce aero engines.

Shell's metal subsidiary, Billiton International, has been negotiating with Rolls-Royce and with IMI, which fabricates titanium, since the beginning of this year.

It expects to reach a draft agreement soon which will then be presented to the committee of managing directors of Royal Dutch/Shell for approval. The committee is likely to give the go-ahead because there is a world shortage of processed titanium. The new plant is intended to cash in on the international market in addition to meeting the needs of Rolls-Royce.

A company called Deeside Titanium was set up last year by the NEB with Rolls-Royce and IMI, and Courtaulds Engineering has been given the contract to construct the processing plant in the declining steelworks area of Shotton, North Wales.

It is intended that Rolls-Royce will use about one-third of the initial 5,000 tons a year output from the plant, which is due to come into operation in late 1982.

Rolls-Royce will pay an undisclosed premium above world market prices to Deeside Titanium for its metal because it is to be the preferential user. Billiton will then be in charge of selling the remainder of the output, and IMI will be responsible for the fabrication part of the metal-processing process.

Provision has been made for doubling the plant's output later in the 1980s if demand for the metal increases as fast as is expected.

The Deeside project was started by the NEB last year when ICI, which has supplied Rolls-Royce with its titanium via IMI for 25 years, announced that it was pulling out of the business in 1982. Rolls-Royce uses a special sort of titanium granules, produced at ICI by a sodium reduction process, which it needs for the hot end of its aero engines.

Most other industrial users of titanium work with sponge produced by magnesium reduction, so Billiton will be trying to capture new markets for the ICI process which it will be inheriting and modernising.

It was because of Rolls-Royce's special requirements that the NEB decided early last year to fill the gap left by ICI, Rolls-Royce then being one of the board's major subsidiaries.

The total cost of the project was estimated at £30m, of which the NEB took responsibility for £20m. Its other two partners, Rolls-Royce and IMI, agreed to share the remaining £10m.

After approaching a wide variety of companies around the world—including engineering concerns and metals producers in countries such as Japan, the U.S., France and West Germany—the NEB opened talks with Billiton early this year.

Following the Government's decision to transfer ownership of Rolls-Royce from the NEB to the Industry Department, Rolls-Royce took over the board's stake and has been in charge of finalising the negotiations.

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Strauss tries to make Poland election issue

BY JOHNATHAN CARR IN BONN

Herr Franz Josef Strauss

WEST GERMANY'S Ostpolitik is emerging as a key general election campaign theme, stimulated by the current unrest in Poland and the East-West German summit meeting next week.

In an interview yesterday, Herr Franz Josef Strauss, the opposition leader, praised the demands of Poland's striking workers and said that West Germany should not hand over its recently promised DM 1.2bn (£280m) credit to Warsaw until those demands were met.

He also raised the question of whether it was Bonn's business, in addition to its European Community and Atlantic alliance payments, to "finance the stabilisation of Communist economic systems."

Herr Strauss's remark goes to the centre of the Ostpolitik dispute, which has been going on between the government coalition and the opposition for a decade, and which is now gaining a fresh impetus.

While the opposition Christian Democrat (CDU) and Christian Social Union (CSU) parties feel the Government has been too ready with finance to support Communist power in the East, the ruling coalition holds that its strategy has brought practical benefits for the peoples of Eastern Europe, including East Germany, and relaxation of tension.

The opposition has also accused Chancellor Helmut Schmidt of arranging his timetable of meetings with East European leaders to try to gain an advantage in the October 5 election by appearing as a leader striving for further detente. The CDU-CSU is still smarting from the sharp defeat it suffered in 1972 after a campaign in which Ostpolitik was easily the main issue.

This time, however, it is far from clear that Herr Schmidt will automatically gain election benefit from the East-West German summit meeting, or that he would have done so from his talks with Mr. Edward Gierek, the Polish leader, scheduled for this week but postponed because of unrest in Poland.

Government officials suggest that the particular gains Herr Schmidt is hoping for from his meeting with Herr Erich Honecker, the East German President, are not of a kind easy to underline in an election campaign. They include information on the amount of room for manoeuvre in domestic and foreign policy which Herr Honecker feels himself to possess, and the kind of timetable he could thus envisage for further bilateral moves between the two Germanys.

Whatever concrete moves may be announced after the Schmidt-Honecker meeting, they are likely to fall well short of the long catalogue of improvements which the opposition publicly says are urgently necessary.

The Bonn Government is also well aware that any further intensification of the Polish troubles, perhaps bringing reaction from the Soviet Union, could seriously undermine prospects of a successful inter-German summit. This would also enable the opposition to redouble its charges that the Government has constantly misjudged the situation in East Europe.

Paul Lendvai, recently in Prague, reports on the mood there 12 years after the Warsaw Pact invasion

Apathy and hopelessness in Czechoslovakia

THE UPHEAVAL in Poland is bound to have a profound impact on neighbouring Czechoslovakia, coinciding as it does with the anniversary of the Warsaw Pact's intervention in Czechoslovakia in August, 1968.

In the short term, it is likely to strengthen those already powerful politicians in Prague who advocate the absolute supremacy of political control by the ruling party. At the same time, the prospects for Hungarian-type economic reform will become even bleaker.

Czechoslovakia is, by all the evidence, in a mood of apathy, not rebellion. Visitors to Prague feel an underlying sense of hopelessness.

A young artist said: "The people change, but they know that this system cannot be basically changed." This view is, of course, not shared by the dissidents of the Charter 77 movement. The human rights activists claim that their original manifesto has been signed since January 1977 by 1,036 people. But for all the courage of the human rights activists, some observers wonder whether the movement has not harmed, rather than helped, the cause of limited liberalisation or gradual reconciliation on the Hungarian pattern.

It is also true that the leadership as a whole has made no significant gestures of reconciliation towards those tens of thousands of specialists and scientists who lost their jobs after August 1968. Countless scholars, highly qualified engineers, writers and trained officials still have to work as stokers, window cleaners, manual labourers and drivers.

The capital's commuters and housewives barely have time to glance at Air India's display on Venceslav Square inviting prospective customers "to have the best of both worlds." They are fully occupied with trying to make ends meet. Queues form immediately if a street stand starts offering watermelons, tomatoes or apricots of poor quality. In striking contrast to neighbouring Hungary, the shops contain no Western imports.

Chinese baked beans, Romanian runner beans, Vietnamese teabags, Yugoslav and Russian sardines and Cuban rum can be seen everywhere. The average blue- or white-collar worker has to pay a month's average wage for a refrigerator or a slightly better ready-made suit, two months' salary for a black-and-white television, eight months' salary for a colour television, and 20 months' wages for the cheapest Skoda car, 180,000 of which are produced each year.

As growth in engineering exports has been a third below the comparable rate worldwide, vast quantities of consumer goods, ranging from textiles and shoes to glass and toys, have had to be diverted from the domestic market into exports. Walking the streets of Prague, still one of the most beautiful cities in the world for all the decay, and looking at the shop windows, a casual visitor would be hard put to believe that this country before the war was on a par with Austria in terms of industrialisation, and ranked ahead of Denmark and Italy.

Mr. Vasil Bilak: his priority is the "ideological consciousness of the masses."

The shortage of acceptable consumer goods and the flood of millions of "fraternal tourists" from Poland, the Soviet Union, Hungary and East Germany, is such that last month new Customs regulations were announced, forbidding the the export of basic foods—from meat to butter and sugar—children's clothing, underwear, blankets, towels and teacloths, cotton, footwear, hosiery, stainless cutlery, feather down products, and tyres. Special permits are now needed to take out rubber boats, sleeping bags, carpets, electrical fittings and even school satchels and pencil cases.

This measure, unprecedented in peacetime, was clearly motivated by the double impact of export priorities and massive shopping by Eastern tourists and, to a lesser extent, by Austrian and West German visitors, the latter using "black crowns" to buy textiles and clothing at ridiculously low prices.

"Everything is frozen here and the new economic measures are no more than tinkering," one Western observer remarked. Even officials in the state bank clearly prefer to err on the side of caution, rather than to show a penchant for truly radical changes. They hint that not only the next five-year plan (1981-85) but even the one after that, will be "a time of transition." They agree that real changes cannot be carried out without moving towards a price structure reflecting relative scarcities. Yet even a more flexible price policy "must not encroach upon the principal of central control over prices."

A 35 to 40-strong commission, headed by Mr. Leopold Ler, the Finance Minister, is introducing seven new indicators for the economy from next January. They are intended to encourage efficiency, quality and profitability, and eliminate gross output as the main gauge of performance.

But the officials caution time and again that "no fast results" should be expected. As the Czechoslovak economy is in the midst of a general retrenchment, with real wages practically stagnating last year and this, the technocrats' caution and barely veiled gloom is understandable. The malaise goes much deeper than last year's failures, when farm output dropped by 3.9 per cent, instead of rising by a projected 2.7 per cent, and when national income grew by 2.8 per cent, compared with a planned 4 per cent.

Top officials revealed recently that only 2 per cent of Czechoslovak exports are up to world standards, that export earnings are often only half of what top-quality products would bring in, and that during the 1976-80 plan the country has had to import 8m tons of grain, double what was originally planned. Despite a recent $275m Euromarket loan, Czechoslovakia at the end of 1979 had an external debt of only some $3.2bn, the lowest in the Communist bloc. "We must live within our means, and have to think also of the repayment and servicing of our debt," a director of the state bank remarked.

Mr. Vasil Bilak, a Central Committee Secretary, recently stressed at a party conference: "The point is this: our priority must not be how many weekend cottages, cars and refrigerators we possess, but what the level of ideological consciousness of the masses is. The consciousness of the masses is the only thing which can overcome even the most complex difficulties."

But with some 40 per cent of the population said to be able to see Austrian and West German television, it will be difficult for his propagandists to "explain the simple truth to the people in a simple way."

Soviet forces cast shadow over Poles

BY DAVID TONGE, DIPLOMATIC CORRESPONDENT

NEXT MONTH Soviet troops will pass through Poland to take part in "Comradeship in Arms," the largest maneouvres the Warsaw Pact has held for 10 years.

The coincidence of the manoeuvres with political unrest is reminiscent of 1968 when Soviet troops passed, at an unusually slow pace, through Czechoslovakia just before Soviet forces overthrew the Dubcek regime. For the moment comparisons would be misleading. But the Polish crisis has drawn attention to the problems that the Soviet Union could face with the Polish armed forces.

The 210,000-man army is largely made up of conscripts. During the last major turbulence in Poland, in 1976, the Polish Government preferred to rely on special police units to deal with demonstrators. There is no sign now that the authorities intend to use force. But should the Government fail to reach a negotiated settlement of the strikers' grievances it appears that it would again rely on these units.

For the Soviet Union, Poland must remain a dependable route of supply for the 19 Soviet tank and infantry divisions in East Germany. This strategic role for Poland is reflected in the relatively small number of Soviet troops stationed there—an air army and two tank divisions whose purpose seems more that of an occupying force than of a battle group.

An immediate consequence of the Soviet invasion of Czechoslovakia was a strengthened role for the Soviet Union in the command structure of the Warsaw Pact. Since 1969, a Military Council, headed by a Soviet Commander-in-Chief, has been the main channel of command.

The Soviet Union would thus be involved at an early stage if the Polish forces should wish to act independently. The country's rivers and the change of railway gauge at the Polish-Soviet border would give rebels some advantage. The Soviet Union would also be reluctant to open a new front and incur political opposition when the wounds of Afghanistan are still bleeding.

Nonetheless the military balance is heavily on Moscow's side. The presence in Liegnitz of a Soviet tactical air army is a guarantee that the Soviet Union would be able to fly in some of its eight airborne divisions.

Lira under pressure as assault resumes on Italian package

BY RUPERT CORNWELL IN ROME

AMID FRESH and ominous difficulties for the lira, the Italian Parliament yesterday resumed detailed examination of the two decree laws which form the heart of the Government's economic stabilisation package of early July.

The discussion marked the end of the short summer political lull here and the start of what bodes to be a most uncomfortable period for the beleagured three-party coalition under Sig. Francesco Cossiga, still badly shaken by the Bologna bomb outrage.

The decrees, one covering the changes in taxation and the other the new state spending envisaged in the July measures, have already been modified heavily by the Senate.

They now have to be approved by the Lower House within a fortnight. Otherwise, the decrees will lapse automatically with the expiry of the two-months' grace period after their introduction. But, whether this deadline will be met in the present confusion was far from certain last night.

The neo-Facist MSI party has already signalled that it will do its best to block the package; while the attitude of the Communists, who have tabled scores of amendments, is basically hostile.

If the two parties dig their heels in, the Government may well have to turn the decrees into a vote of confidence to get them through.

Its problems are made all the worse by the sustained Communist campaign to bring down Sig. Cossiga as speedily as possible. It was as part of this strategy that the party successfully forced the withdrawal of the proposed 0.5 per cent levy on industrial salaries and waged unremitting war on the decrees in the Senate.

There is no doubt that failure to make the measures law would weaken still further the position of the lira, which has lost further ground in recent days despite support from the Bank of Italy totalling $400m, according to one report.

Indeed, many observers suspect that the changes already made have drawn many of the package's teeth, after earlier predictions by Ministers that it would reduce internal demand by L4,000bn (£2bn) in the second half of 1980. This feeling appears to lie behind the latest exchange market speculation that a lira devaluation will be forced upon the Government some time this autumn.

The main ingredient of the package is now state-support for industry: a L3,600bn (£1.8bn) reduction in social security payments by companies for their employees in a full year; fresh aid for the depressed south; and the L1,500bn (£750m) fund for sectors in trouble, notably the motor industry.

France faces £5bn trade gap in 1980

By David White in Paris

FRANCE'S TRADE deficit is now expected to widen to about FFr 50bn (£5bn) this year, about five times the 1979 figure, after a particularly wide gap in July.

Last month saw a seasonally-adjusted trade deficit of FFr 6.67bn. This was only just short of the record May deficit of FFr 7.2bn and brought the deficit so far this year to FFr 36.5bn. The French Government is hoping for an easing-off of imports

The further deterioration in trade is expected to leave France with a deficit of around FFr 25bn on the current account of its balance of payments, some FFr 3bn more than the Government was forecasting early in the year. Last year, France's traditional surplus on invisibles more than compensated for the trade deficit and produced a FFr 6bn current account surplus.

Although the July figures largely reflect oil price increases, they also confirm a declining trend in the country's non-oil surplus. The net energy bill for July, at FFr 10.8bn, was more than twice as high as it was a year earlier.

But exports were a bare 0.5 per cent higher than in June at FFr 40.97bn in adjusted terms, while imports rose 2.3 per cent to FFr 47.64bn. Compared with a year earlier, export growth was 12.9 per cent and import growth exactly twice as high at 25.8 per cent.

Dutch supply to cost Ruhrgas more

BY CHARLES BATCHELOR IN AMSTERDAM

THE NETHERLANDS has made an important breakthrough in its efforts to raise the price of the gas it sells under export contract. Ruhrgas, the Netherlands' most important customer in West Germany, has agreed to pay more for the 6bn cubic metres it takes annually, the Dutch Economics Ministry said.

Neither the ministry nor Netherlandse Gasunie, the partly state-owned gas sales and distribution company, was prepared yesterday to release details of the new contract for fear of prejudicing the negotiations with the Netherlands' other customers.

"The new contract is a reasonable success but there are 13 more still to be renegotiated," the Ministry said.

The national gas companies of Italy, France and Belgium are larger customers than Ruhrgas, which is a private company. But Ruhrgas plays a leading role in many multinational gas consortia.

If the remaining contracts are renegotiated on this basis, the Netherlands would earn another Fl 1.5bn (£32.6m) to Fl 2bn in 1981 from gas sales abroad. Mr. Dries van Agt, the Prime Minister, said in reaction to the announcement. If the gas export price was brought fully into line with that of oil, additional annual earnings of Fl 4bn would result.

Dutch Treasury revenues from gas sales are put at Fl 12.25bn this year comprising Fl 8.47bn in sales revenues and Fl 3.78bn in corporation tax.

Exports amounted to 49.2m cubic metres last year compared with 44bn cubic metres to domestic consumers. West Germany is the largest foreign customer, taking 19.9bn cubic metres, followed by France with 11bn cubic metres, Belgium 10.4bn cubic metres and Italy and Switzerland together taking 7.9bn cubic metres.

The Dutch Government has been trying for several months to adjust its export gas price to the much increased world oil price. The two are linked but gas prices are adjusted with a delay of up to 11 months and only reflect between 60 and 90 per cent of the oil price increase.

Long-running contracts were signed in the 1960s when the Dutch believed that the development of nuclear power would leave them with large reserves of unsaleable gas.

NUCLEAR NON-PROLIFERATION TREATY

Uranium controls under attack

BY BRIJ KHINDARIA IN GENEVA

THE STIFF conditions imposed by the U.S. and Canada in contracts to supply uranium to Western and other countries are placing increasing strain on the 12-year-old Nuclear Non-Proliferation Treaty (NPT) which is intended to halt the spread of atomic weapons.

Both Western European and developing countries have complained at the NPT review conference here that the uranium-supply policies are slowing down the development of nuclear technology for peaceful purposes.

Diplomats from developing countries say the treaty is not a good means of preventing the spread of nuclear weapons because nuclear explosions are still permitted in testing new weapons. Instead they allege it has become a back-door method for the nuclear powers of preventing the acquisition of nuclear technology for peaceful purposes by developing nations.

Western nations, such as West Germany and Switzerland, say the U.S. puts unjustified pressure on them to stop nuclear technology exports — a move which effectively protects the market for U.S. producers.

About 70 countries out of the 114 that signed the 1968 treaty are attending the conference, which ends on September 5. Israel, India, Pakistan, Brazil, Argentina, South Africa and France are among the countries with nuclear industries which have not signed the treaty.

But developing countries, such as Peru, Mexico and Iraq, say they may quit because the U.S. has broken its commitments under the treaty. The main commitments were that signatories would be given access to nuclear fuel supplies and peaceful nuclear technology, while the nuclear weapon states would make serious attempts to reduce their arsenals.

The deadlock in the SALT II negotiations between the U.S. and the Soviet Union and their inability to ban nuclear test explosions has disillusioned these countries about the commitment of the weapon states to nuclear disarmament.

'Plague' of lorry thefts in Europe

By John Wicks in Zurich

MORE AND more lorries are being hijacked in Europe, according to the Swiss Insurance Association. The theft of laden vehicles on international routes has become a "plague" in recent years, it says.

In Italy alone, 5,443 lorries and trailers were hijacked last year with contents worth more than £7.6m. Well-organised gangs are at work, particularly around Milan and Turin.

Another report, by the Swiss Reinsurance Company, shows that demand for most types of insurance is still growing in the industrialised West. It denies that the "much-cited saturation tendencies" are threatening major sectors of the insurance business.

The company foresees further expansion, particularly in accident and liability insurance. Court practice is expected to lead to the need for higher product, industrial and professional liability coverage. It also expects group accident policies to increase.

Life assurance might benefit, it is claimed, from the fact that in many countries the development of social security systems "is reaching its limits."

Swiss Reinsurance bases its forecast on a comparison of insurance premiums in 10 industrial countries between 1975-78 and 1971-74. These countries, which exclude the UK because of the lack of detailed statistics on non-life insurance, accounted for over 80 per cent of the world premium volume in 1978.

Sweden to raise VAT to 22.5%

By William Dullforce in Stockholm

SWEDEN'S coalition Government decided yesterday to raise Value Added Tax by 1.9 per cent, giving Sweden VAT of 22.53 per cent, the highest in Europe. The aim is to dampen domestic demand and to curb the mounting deficit on external payments.

The VAT rise is 1 per cent lower than that originally planned, but the Government was obliged to give way to objections from the Social Democrat opposition.

The three non-Socialist parties will adopt opposition suggestions to increase duties on some commodities, such as spirits and tobacco, although Mr Thorbjörn Fälldin, the Prime Minister would not specify which.

To soften the impact on poor families of the VAT increase, the Government will simultaneously raise child benefits fro SKr 2,800 to SKr 3,000 (£304) a year, Mr. Fälldin announced.

The VAT increase and the complementary measures will be submitted to an extraordinary session of the Riksdag (Parliament) called for August 25 at the insistence of the Social Democrats to discuss Sweden's economic situation. The increase will become effective from September 8, if the government's one-seat majority in the Riksdag holds.

Mr. Sten Andersson, the Social Democrats' general secretary, described the Government's decision to raise VAT as unwarranted and deplorable, while Mr. Kjell-Olof Feldt, the shadow Finance Minister, said it would have been better to introduce temporary import charges or deposits to stem demand and improve the current account.

The Trade Union Federation chairman warned that by using the VAT instrument the Government had worsened the climate for the national wage talks.

Even the employers are dissatisfied. Their chairman, Mr. Curt Nicolin, said that quite different measures were needed to reduce the trade and payment's deficits.

Sweden had a trade deficit of SKr 6.8bn in the January-July period compared with a deficit of SKr 240m in the first seven months of 1979. The current account deficit for 1980 is now expected to reach SKr 20bn

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Hunger strike spreads to more villages in Andalusia

BY ROBERT GRAHAM IN MADRID

A HUNGER strike in protest at the lack of unemployment aid by almost 800 people in a village near Seville spread yesterday to other communities in Andalusia. The protest has again highlighted the frustrations and miserable conditions in much of the province.

The action begun in the village of Marinaleda, yesterday spread to a nearby community and received promises of support from groups in at least four other villages. It started when Sr. Sanchez Gordillo, Marinaleda's 28-year-old mayor, rejected special government fonds to relieve unemployment. The authorities offered Pta 400,000 (£2,325) for employment on public works projects over the next month.

The mayor, responsible for organising its distribution, said it was wholly insufficient. There are 300 out of work in the village and the offer scarcely covered one day's full employment—the maximum paid for public works employment is Pta 1,100 a day.

The hunger strike, which Sr. Gordillo yesterday insisted would be indefinite, involves a large segment of the village including women and children. He admitted that some were in need of medical attention because of the 40 degree heat and lack of food. Sr. Gordillo is a leading member of the radical Andalusian peasants organisation, Cindicato de Obreros Del Campo (SOC) and has received its full backing.

The other communities supporting his protest are in villages and towns dominated by the SOC.

Sr. Paco Cassero, the organisation's leader, said on Monday that he too had begun a hunger strike. Significantly, the Communist party of Andalusia, which usually distances itself from what it regards as a radical and uncontrolled organisation, has issued a statement of support. Sr. Cassero said yesterday that if the Government failed to respond the SOC would begin occupying farms.

The protest is a further reminder of agricultural labourers' enormous problems in impoverished Andalusia where the unemployment rate is as high as 18 per cent of the active population. This summer, unemployment has been exacerbated by a cutback in the number of jobs normally offered by the hotel industry in southern Spain.

The immediate bone of contention is the shortage of funds to provide jobs on public works projects. Money is allocated to the local civil governors who then disburse it to councils and villages. The funds are released from Madrid on a bi-monthly or quarterly basis, and the civil governor of Seville currently has some Pta 40m (£230,000) to distribute among 101 communities.

The SOC regards the system as wasteful and undignified. It would like to see a more systematic approach which would also include increased funds to establish new industries and revitalise unused farm land.

The Government has been dragging its feet for almost five months now. It is using its power over the purse strings to try to recoup some of the authority it lost in the March referendum on autonomy which resulted in a powerful rebuff to Madrid's efforts to retain tight control over the region.

The authorities have continued to ignore the growing radicalisation in the region, evidenced by the deliberate burning of crops in the spring and now re-emerging in this hunger strike.